

CITY OF DUNEDIN, FL.
FISCAL YEAR ENDING
September 30, 2013

The background of the entire page is a photograph of a sunset over a body of water. In the foreground, the silhouettes of several palm trees are visible against the bright, glowing sun. The sky is a mix of orange, yellow, and light blue. The water in the background is dark and calm.

Comprehensive Annual
Financial Report
"Dedicated to quality service"



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CITY OF DUNEDIN, FLORIDA

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2013

CITY COMMISSION

DAVE EGGERS
Mayor

JULIE WARD BUJALSKI
Vice Mayor

JULIE SCALES
Commissioner

RON BARNETT
Commissioner

HEATHER GRACY
Commissioner

CITY MANAGER

ROBERT DISPIRITO

FINANCE DIRECTOR

KAREN J. FEENEY

PREPARED BY: CITY OF DUNEDIN FINANCE DEPARTMENT



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**City of Dunedin, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2013**

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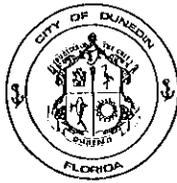
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CITY OF DUNEDIN

"Dedicated to Quality Service"

P.O. BOX 1348
DUNEDIN, FLORIDA 34697-1348
(727) 298-3000
WEB SITE: www.dunedingov.com

March 28, 2014

Honorable Mayor, Members of the City Commission
and Citizens of the City of Dunedin, Florida

Mayor, Commissioners and Citizens:

We hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Dunedin, Florida for the fiscal year ended September 30, 2013. This report fulfills the requirements set forth in Florida Statutes Chapter 218.39 and Rules of the Auditor General of the State of Florida, Chapter 10.550. This report presents a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP), and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the City of Dunedin, Florida (the "City"). Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the City's management team has established a comprehensive internal control framework designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited in accordance with Generally Accepted Auditing Standards by Moore Stephens Lovelace, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for fiscal year ended September 30, 2013 are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Dunedin's financial statements for the year ended September 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in

"The City of Dunedin does not discriminate on the basis of race, color, national origin, sex, religion, age, political affiliation, marital status, sexual orientation and disabled status in employment or the provision of services"

conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in June 1899, is located in the western part of the state, bordering the north side of Clearwater, Florida. The City currently occupies a land area of 10 square miles and serves a population of approximately 35,600. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the Commission-Manager form of government. Policy-making and legislative authority are vested in a governing body consisting of the Mayor and four Commissioners. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Clerk, City Attorney and the independent auditor. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The City Commission is elected on a non-partisan basis. Commission members, to include the Mayor, serve four-year staggered terms, with up to two Commission members elected in any given year. The Mayor and the City Commission members are elected at large.

The City provides a full range of services, including fire protection and contracted law enforcement; the construction and maintenance of highways, streets, and other infrastructure; library; parks and recreation; marina; golf course, spring training facilities (for the Toronto Blue Jays); water and sewer; reclaimed water; and solid waste. The City also has a Community Redevelopment Agency which is reported within the City's financial statements.

The City Commission is required to hold two (2) public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., fire). Department Heads may make transfers of appropriations within a department and fund. Transfers of appropriations between funds, however, require the approval of the City Commission. Budget-to-Actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Community Redevelopment Agency Fund, and the One Cent Sales Tax Fund, these comparisons are presented on pages 36 - 38 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented on pages 103 - 111.

Local economy

Dunedin is a city located to the North and West of Tampa, Florida and directly to the North of Clearwater, Florida. The city mainly consists of residential land use (45 percent), with industrial and commercial land uses comprising only 5 percent of the City's land area. The economy of Dunedin is primarily dependent upon tourism, services and retirement living. Major employers include the

Pinellas County School System, Mease Dunedin Hospital (a medical complex), Publix, the City of Dunedin, Mease Manor (a retirement facility), the Pinellas County Sheriff, Achieva Credit Union, and Coca-Cola North America. The service industry (banking, retailing, personal services, etc.) has risen significantly to meet the demands of the area's population. Some local demographic data is presented below.

As of September 2013, the City's total labor force was 16,928 people and unemployment was at 6.2 percent, while unemployment for the State of Florida was 6.9 percent. As of 2013, the City's total population was 35,247. The median age was 53.3 years of age, and median household income was \$37,732, while the State median income is \$47,309 based on the most recent census data. Approximately 28 percent of Dunedin's residents were of retirement age (65 and over) in 2013. The local economy is also influenced during the winter months by a seasonal population of approximately 4,000 people.

Dunedin attractions include: Caladesi Island and Honeymoon Island State Parks located on coastal waters on St. Joseph Sound located within Dunedin's city limits; the Pinellas County Trail and the Spring Training Facility for the Toronto Blue Jays. Dunedin also has a very low vacancy rate for commercial and office buildings; comparatively few vacant or foreclosed homes; and many events and activities in the city that keep it vibrant and fun year-round. Dunedin remains a choice area in which to live.

Financial strategies that have helped the City through the economic downturn include reductions in operating costs via reorganizations and streamlining. Over the past six years, revenues collected by the City have declined. Ad valorem taxes collected for fiscal year 2007, when property values were at their peak, were \$9,028,457. For fiscal year 2013, ad valorem taxes collected were \$5,403,353, which is a 40.2% decline in this revenue source. Ad valorem taxes, in fiscal year 2013, represent approximately 24.1% of General Fund revenues. Sales tax revenues in the One Cent Sales Tax Fund have declined from \$3,186,280 in fiscal year 2007, to \$3,013,051 in fiscal year 2013, a decline of 5.4%. During this same period, General Fund operating costs have decreased from \$25,611,235 to \$22,943,175, or by 10.4%, and the General Fund fund balance, has decreased from \$8,587,201 to \$3,832,779, a decrease of 55.4%.

Due to its strong local economy, and sound fiscal policies, the City of Dunedin has maintained a credit rating of Aa2 from Moody's and AA- from Standard and Poor's.

Long-term financial planning and major initiatives

During November of 2012, three bond issues were refunded. Refunded issues were the Spring Training Facilities, Series 2001A, 2001B and 2001C Revenue Notes. More information on these transactions can be found in the Financial Statement notes, Note IV., B, Long-Term Debt.

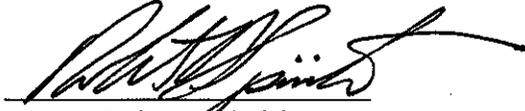
Unassigned fund balance, in the General Fund at year end, was \$3,097,698 or 81.3% of fund balance, and 13.2% of the fiscal year 2014 operating budget. Total fund balance in the General Fund was \$3,809,624. The goal for unassigned fund balance at year end is to be 15% of the next year's operating budget.

The City approved a Strategic Plan in 2010, which is the cornerstone of the City's service and operations delivery. The City's first step in allocating available resources is gaining an understanding of the needs and desires of the residents of Dunedin, as well as the environmental factors that will affect the City's future. The City Commission established a vision for the level of service to be provided along with the resources to deliver them. This vision was attained through the Parks & Recreation Strategic Plan, the Community Visioning Process, the Inclusion Committee Report, the Stormwater Utility Master Plan, the Dunedin Comprehensive Plan and input from City Departments. These plans are updated on a regular basis so as to remain current and useful.

Acknowledgements

This report is the product of the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its preparation with special thanks to Ms. Kathy Oster, Accounting Manager. We would also like to express our appreciation to the Mayor and the City Commission for their support, and the firm of Moore Stephens Lovelace P.A. who provided their expertise through this audit.

Respectfully submitted,

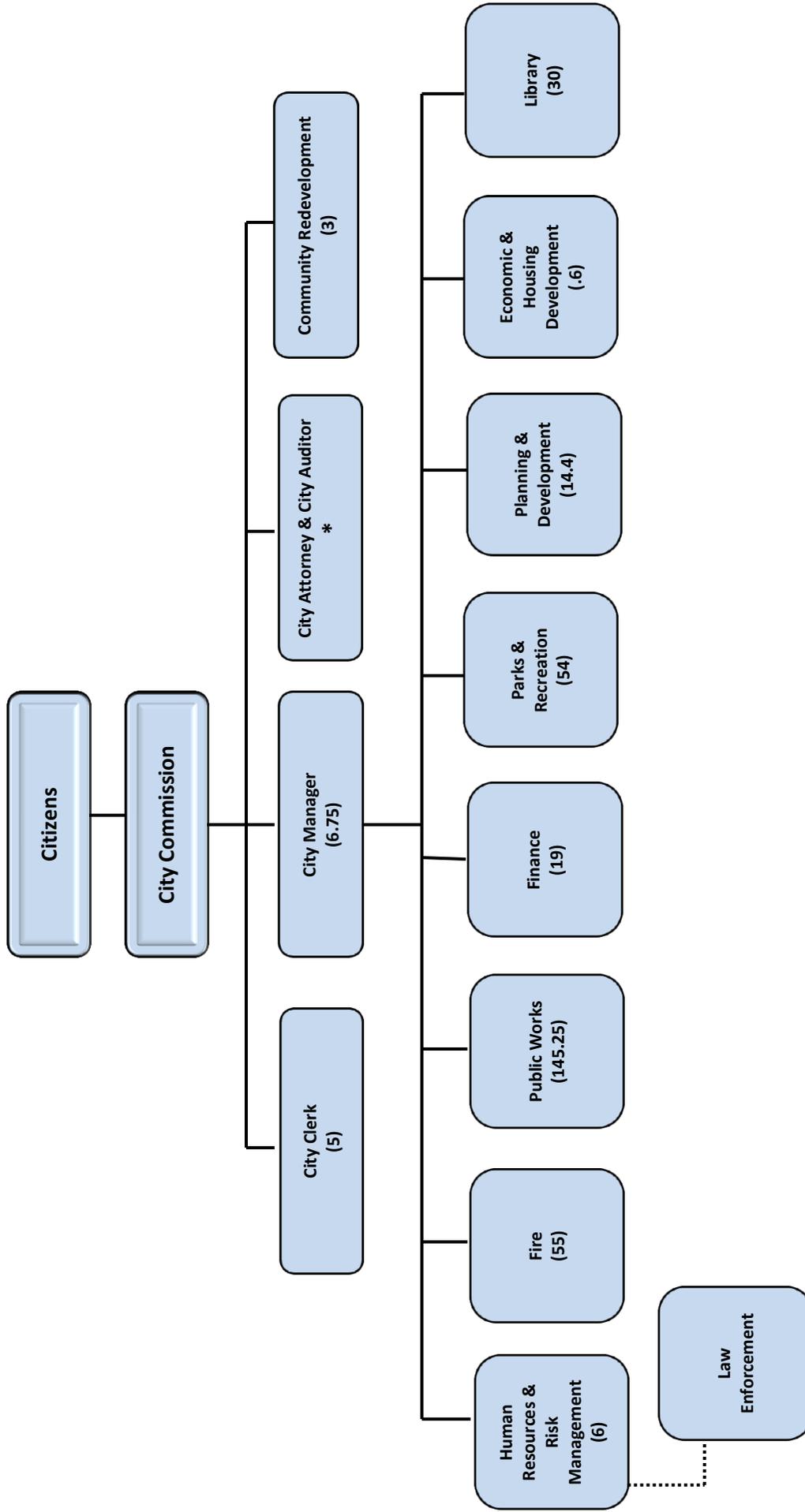


Robert DiSpirito
City Manager



Karen Feeney
Finance Director

City of Dunedin
Organizational Chart
FY 2012/2013



Total Authorized Staffing = 339
* Contractual

City of Dunedin, Florida
Certificate of Achievement

For the year ended September 30, 2012

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dunedin, Florida, for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Dunedin
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Municipal Firefighters' Pension Trust Fund which represent 100% of the assets and net position of the fiduciary fund. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the aforementioned fiduciary fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position, and cash flows, where applicable, and the budgetary to actual for the Major Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 28, 2014

Management's Discussion and Analysis

As management of the City of Dunedin, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal, which can be found on pages 7 – 10 of this report.

Financial Highlights

- The assets of the City of Dunedin, at \$173,456,633, exceeded its liabilities at the close of fiscal year 2013 by \$126,563,462 (*net position*), a decrease of \$137,064 (0.1%) in net position compared to the prior year balance. This decrease is the result of business-type net position decreasing \$170,377 (0.3%) during the year, along with the governmental net position increasing \$33,313 (0.05%).
 - Of this net position amount, \$91,644,579 (72.4%) is invested in capital assets and \$5,571,236 (4.4%) is restricted. The remaining \$29,347,647 (23.2%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens, creditors and other agencies.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,909,101, a decrease of \$730,929 (8.5%) in comparison with the prior year combined ending fund balances. Approximately 39.5% of this amount, \$3,120,853, is in *unassigned fund balance*, and therefore available for spending at the City's discretion. The remainder is restricted, committed, or assigned for open contracts, programs, debt, etc.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$3,213,114, or approximately 11.1% of total general fund expenditures.
- The City's total outstanding debt decreased by \$1,674,967 (4.4%) during the current fiscal year. This is primarily the result of scheduled debt service payments. Debt for Governmental Activities decreased \$1,674,967 (11.8%) and debt for Business-type Activities remained unchanged, as interest-only payments were made for the Series 2012 Water/Sewer and Stormwater bonds. These changes can be found later in the MD&A in the "Outstanding Debt" table on page 27, and in the notes to the financial statements concerning long-term liabilities (see Note IV., B., Long-Term Debt).

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City of Dunedin's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial

statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the City's assets and liabilities with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows during future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, economic development, and culture and recreation. The business-type activities of the City include solid waste, water/sewer utility, stormwater utility, marina and golf operations.

The government-wide financial statements include not only the City of Dunedin itself, but also the Community Redevelopment Agency (CRA). Although the CRA is legally separate, it is financially accountable to the City. The City Commission serves as the governing body for the CRA.

The government-wide financial statements can be found on pages 30 – 31 of this report.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the one cent sales tax fund, and the community redevelopment agency fund, all of which are considered major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its governmental funds (beginning in fiscal year 2015, the City will adopt a two year budget). Budgetary comparison statements demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32 – 38 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its solid waste, water and wastewater utility, stormwater utility, marina and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle maintenance, building maintenance, and self-insurance functions. All three services have been allocated between governmental and business-type activities based on contribution rates within the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on each enterprise activity, all of which are considered to be major funds of the City. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 40 – 44 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statement because the resources of those funds are *not* available to support the City's

own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 45 – 47 of this report.

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 49 – 92 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information regarding pension funding can be found on page 94 – 95 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 99 – 116 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Dunedin, assets (\$173,456,633) exceeded liabilities (\$46,893,171) by \$126,563,462 as of September 30, 2013, a decrease of \$137,064 (0.1%) over the prior fiscal year end.

As illustrated in the table on the next page, the largest portion of the City's net position (72.4%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, improvements other than buildings, and machinery and equipment), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its residents. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Dunedin, Florida						
Net Position						
September 30, 2012 and 2013						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets:	\$ 15,201,437	\$ 16,398,233	\$ 29,042,402	\$ 28,313,289	\$ 44,243,839	\$ 44,711,522
Capital Assets	70,861,524	70,933,263	58,351,270	58,203,040	129,212,794	129,136,303
Total Assets	86,062,961	87,331,496	87,393,672	86,516,329	173,456,633	173,847,825
Current liabilities	2,605,398	1,952,970	3,754,862	2,859,052	6,360,260	4,812,022
Long-term liabilities outstanding:						
Due within one year	1,778,638	1,766,825	1,032,460	-	2,811,098	1,766,825
Due in more than one year	12,512,800	14,478,889	25,209,013	26,089,563	37,721,813	40,568,452
Total Liabilities	16,896,836	18,198,684	29,996,335	28,948,615	46,893,171	47,147,299
Net Position:						
Net investment in capital assets	58,239,411	56,781,075	33,405,168	33,259,017	91,644,579	90,040,092
Restricted	4,424,603	3,969,397	1,146,633	1,015,491	5,571,236	4,984,888
Unrestricted	6,502,111	8,382,340	22,845,536	23,293,206	29,347,647	31,675,546
Total net position	\$ 69,166,125	\$ 69,132,812	\$ 57,397,337	\$ 57,567,714	\$ 126,563,462	\$ 126,700,526

An additional portion of the City's net position, *restricted net position* at \$5,571,236 (4.4%), represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. Restricted net position increased 11.8% or \$586,348 during the year.

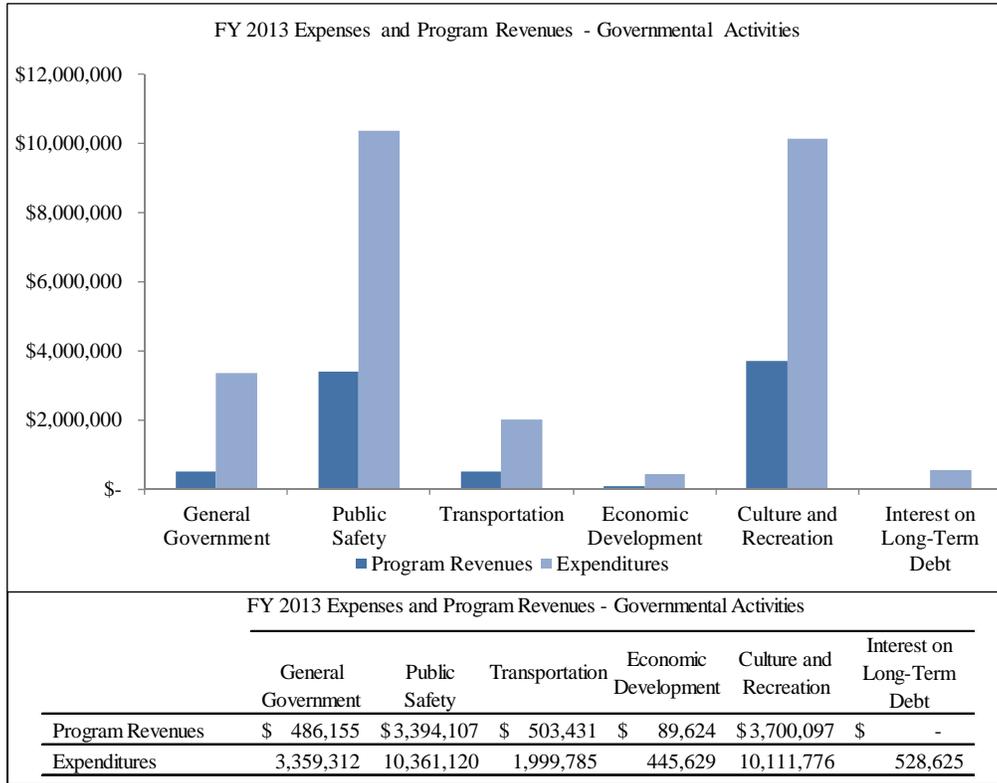
The remaining balance of *unrestricted net position* (\$29,347,647) decreased \$2,327,899 or 7.3% during the year, and is used to meet the City's ongoing obligations to citizens and creditors.

Governmental activities. How the City's net position changed during the most recent fiscal year is reflected in the statement of activities, a summary of which is shown in the table on the next page. This statement divides the activities between governmental activities and business-type activities. Governmental activities increased the City's net position by \$33,313 after transfers. Key elements of this change are as follows:

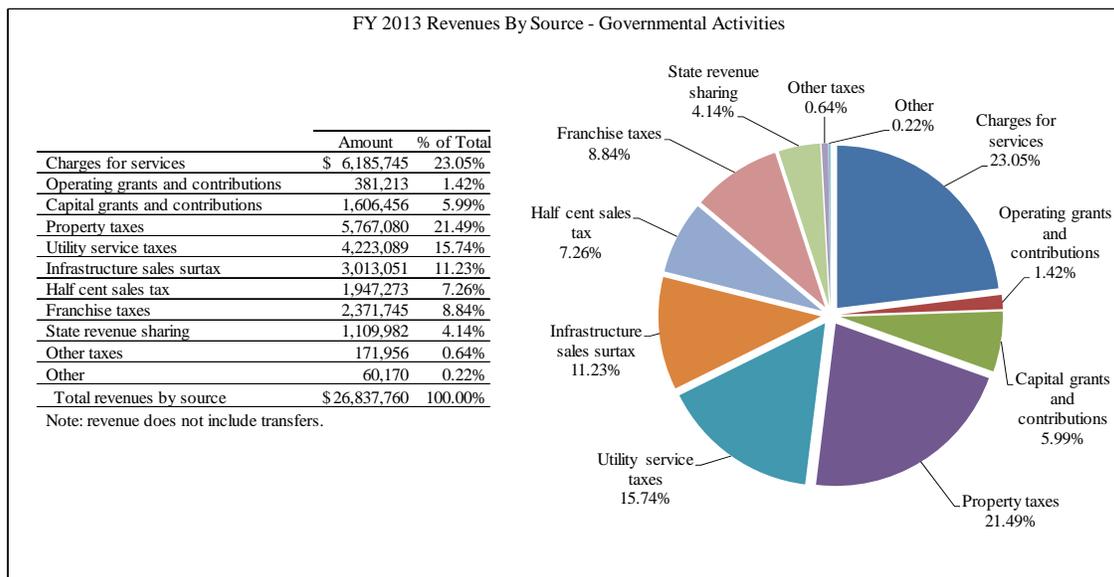
- Total revenues were up \$475,177 from \$26,362,583 to \$26,837,760. Charges for services increased \$506,941 or 8.9%, while property and other taxes decreased by a total of \$157,468, or 0.8%, during the year. Property tax revenue decreased by 5.4% from fiscal year 2012.
- Total expenditures were up \$359,170 (1.4%), after being down \$484,298 in fiscal year 2012.

City of Dunedin, Florida
Changes in Net Position
September 30, 2012 and 2013

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	\$ 6,185,745	\$ 5,678,804	\$ 23,521,041	\$ 25,001,343	\$ 29,706,786	\$ 30,680,147
Operating grants and contributions	381,213	45,361	-	-	381,213	45,361
Capital grants and contributions	1,606,456	1,837,921	137,414	2,114,029	1,743,870	3,951,950
General revenues:						
Property taxes	5,767,080	6,096,273	-	-	5,767,080	6,096,273
Other taxes	12,837,096	12,665,371	-	-	12,837,096	12,665,371
Other	60,170	38,853	64,788	82,258	124,958	121,111
Total Revenues	26,837,760	26,362,583	23,723,243	27,197,630	50,561,003	53,560,213
Expenses:						
General government	3,359,312	2,428,449	-	-	3,359,312	2,428,449
Public safety	10,361,120	11,296,237	-	-	10,361,120	11,296,237
Transportation	1,999,785	1,897,883	-	-	1,999,785	1,897,883
Economic development	445,629	508,474	-	-	445,629	508,474
Culture and recreation	10,111,776	9,673,676	-	-	10,111,776	9,673,676
Interest on long-term debt	528,625	642,358	-	-	528,625	642,358
Solid waste	-	-	5,335,131	4,700,689	5,335,131	4,700,689
Water/Sewer utility	-	-	15,508,529	16,647,088	15,508,529	16,647,088
Stormwater utility	-	-	2,725,954	2,150,716	2,725,954	2,150,716
Marina	-	-	292,000	458,798	292,000	458,798
Golf Course	-	-	30,206	35,254	30,206	35,254
Total Expenses	26,806,247	26,447,077	23,891,820	23,992,545	50,698,067	50,439,622
Increase (decrease) in net position before transfers	31,513	(84,494)	(168,577)	3,205,085	(137,064)	3,120,591
Transfers	1,800	(40,416)	(1,800)	40,416	-	-
Increase (decrease) in net position after transfers	33,313	(124,911)	(170,377)	3,245,503	(137,064)	3,120,591
Net position as of October 1	69,132,812	69,257,723	57,567,714	54,322,211	126,700,526	123,579,934
Net position as of September 30	\$ 69,166,125	\$ 69,132,812	\$ 57,397,337	\$ 57,567,714	\$ 126,563,462	\$ 126,700,525



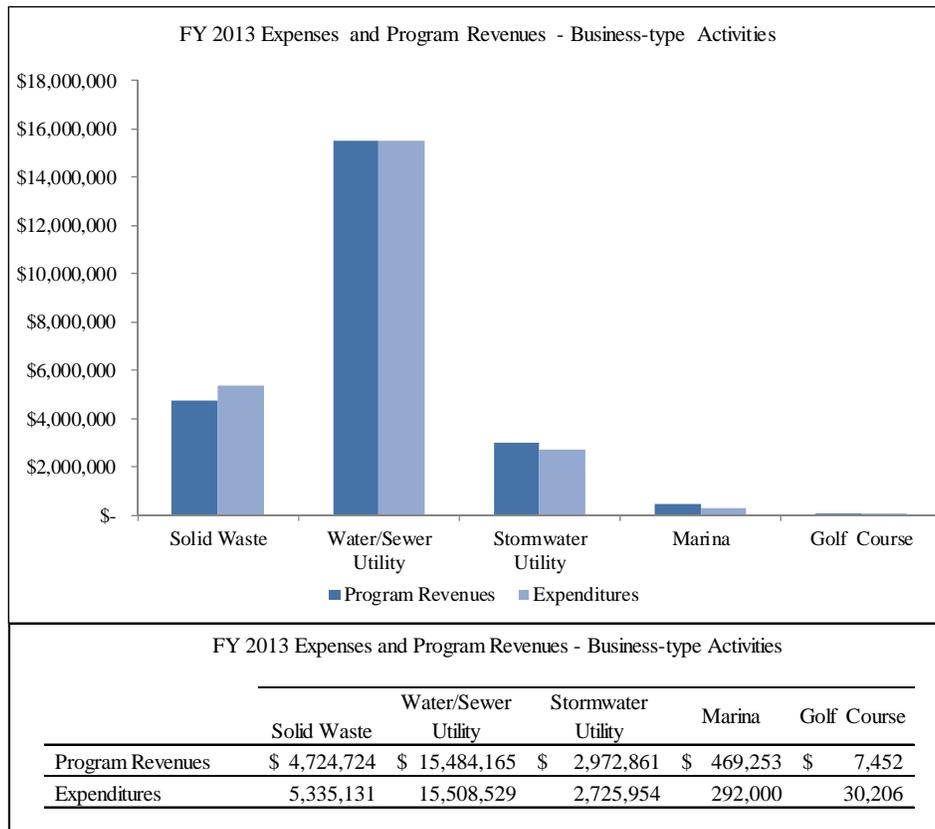
As the bar chart above illustrates, governmental activities do not typically pay for themselves. For example, culture and recreation expenses of \$10,111,776 are offset by \$3,700,097 in revenues. The pie chart below shows that overall, 30% of offsetting revenues for governmental activity expenses come from specific charges for services, operating grants and capital grants and contributions. The remaining 70% of revenue supporting governmental activities comes from property taxes (21%) and other taxes (48%), with the remaining from investment earnings.



Business-type activities. Business type activities decreased the City’s net position by \$168,577 before transfers and \$170,377 after transfers. Key elements of this decrease are as follows:

- Operating expenses for business-type activities remained relatively unchanged, with a 0.4% decrease (\$100,725) from fiscal year 2012. Revenues decreased \$3,474,387, or 12.8%.
- Charges for services revenues for business-type activities decreased by \$1,480,302 (5.9%).
 - Solid waste operating revenues were down \$323,478 or 6.5%, from \$5,010,962 to \$4,687,484.
 - Water and wastewater utility operating revenues were down \$1,406,853 or 8.4%, from \$16,826,489 to \$15,419,636.
 - Additionally, stormwater utility operating revenues increased \$243,464 or 9.0%, from \$2,693,752 to \$2,937,216.

As the bar chart below illustrates, unlike governmental activities, business-type activities are typically able to pay for themselves through specific user charges and revenue sources.



Fund Level Financial Analysis

Governmental funds. As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Included are governmental funds and proprietary funds. The general fund, one cent sales tax fund, community redevelopment agency

fund, and a variety of special revenue funds are recorded in the *governmental funds*. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,909,101 a decrease of \$730,929 in comparison with the prior fiscal year. Approximately 39% of this amount (\$3,120,853) constitutes unassigned fund balance, which is available for spending. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned*, to indicate that it is 1) not in spendable form (\$11,052), 2) legally required to be maintained intact (\$4,424,603), 3) committed for particular purposes (\$237,177), or 4) assigned for particular purposes (\$115,416).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,097,698, while total fund balance decreased 20.3% to \$3,809,624. As a measure of general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 11.1% of total general fund expenditures, while total fund balance represents 13.8% of that same amount.

The fund balance of the City's general fund decreased by \$967,338 (20.3%) during the current fiscal year.

- The general fund final budget included a deficit of \$333,062. At fiscal year-end, actual revenues fell short of budgeted revenues by \$526,406, while actual expenditures were \$391,841 under budget, resulting in a total deficit of \$467,627.
- Most notably on the revenue side, property taxes, franchise fees and utility service taxes fell short of expectations, coming in at \$238,618, \$420,247, and \$293,380 less than budgeted respectively. On the expenditure side, general government and transportation were under budget by \$160,876 and \$109,741 respectively, while public safety and culture and recreation were over budget by \$32,955 and \$19,481 respectively.
- Revenues, at \$22,475,548, increased just \$14,310 from fiscal year 2012 revenues of \$22,461,238.

The one-cent sales tax fund has a total fund balance of \$2,250,899, all of which is restricted. The net increase in fund balance during the current year in the one-cent sales tax fund was \$1,164,891.

- The revenues from the current fiscal year were \$3,018,239 while the expenditures were \$1,422,477. Of that expenditure amount, \$721,188 (50.7%) was spent on debt service.
- Total revenues increased \$207,236, or 7.4%, compared to fiscal year 2012.
- Total expenditures also increased \$165,097, or 13.1%, compared to fiscal year 2012.

The community redevelopment agency (CRA) fund has a total fund balance of \$481,172. The CRA fund balance decreased \$348,336 during the year.

- The revenues from the current fiscal year were \$454,938, including \$363,727 in property tax revenue, while expenditures were \$731,784. Of that expenditure amount, \$313,472 (42.8%) was spent on various capital projects.
- Total revenues increased \$7,304, or 1.6%, compared to fiscal year 2012. Property tax revenues, the main source of revenue for the CRA, decreased \$9,146 (2.5%) from fiscal year 2012.
- Total expenditures decreased \$244,204, or 2.5%, compared to fiscal year 2012.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- In the solid waste fund, net position decreased \$852,626 (55.3%) from fiscal year 2012. This is largely due to a decrease in charges for services revenue of \$221,054, and an increase in supplies and services expenses of \$717,697.
- In the water/wastewater fund, net position decreased \$99,306 (0.3%) from fiscal year 2012.
- In the stormwater fund, net position increased \$238,207 (1.9%) from fiscal year 2012.
- Unrestricted net position of the water/sewer utility amounted to \$15,376,633, for the solid waste fund \$474,302, and for the stormwater utility \$2,649,171. Other factors concerning the finances of those funds have already been addressed in the discussion of the City’s business-type activities.
- In the marina fund, net position increased \$181,158 (11.5%) from fiscal year 2012.
- In the golf course fund, net position decreased \$25,523 (2.0%) from fiscal year 2012.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there was no need for any significant amendments to increase the original estimated general fund revenues. Some of the more significant changes to the original budgeted appropriations were a \$63,335 increase in economic development for the Achieva Corporate HQ demo and site plan assistance, \$43,983 increase in planning and development for a new Permit and License Tech I position, \$282,017 increase in transfers for the County contribution to the City’s Fire Station project, \$10,000 increase in finance for accounting and auditing costs, and a \$43,000 increase in transfers for cemetery road work.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

	Estimated Revenues	Actual Revenues	Difference
Property Taxes	\$ 5,641,971	\$ 5,403,353	\$ (238,618)
Franchise Fees	2,791,992	2,371,745	(420,247)
Utility service Taxes	4,516,469	4,223,089	(293,380)

Actual general fund revenues were lower than budget by \$526,406, primarily due to optimistic projections.

Actual general fund expenditures were under budgeted appropriations by \$391,841, mainly due to general government cost underruns.

Capital Asset and Debt Administration

Capital assets. The City’s investment in capital assets for its government and business-type activities as of September 30, 2013, amounts to \$129,212,794 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in capital assets for the current fiscal year was approximately 0.06%.

Additional information on the City’s capital assets can be found on pages 67 - 70 of this report in the notes to the financial statements (see Note IV, A.3.).

City of Dunedin, FL Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 19,734,294	\$ 19,734,294	\$ 1,628,896	\$ 1,628,896	\$ 21,363,190	\$ 21,363,190
Buildings	22,045,004	23,065,849	1,063,497	1,218,513	23,108,501	24,284,362
Infrastructure	6,855,968	5,946,696	-	-	6,855,968	5,946,696
Improvements other than Building	15,925,229	16,015,947	52,069,227	54,053,344	67,994,456	70,069,291
Machinery and Equipment	5,539,091	5,757,150	909,981	1,060,302	6,449,072	6,817,452
Construction in Progress	761,938	413,327	2,679,669	241,985	3,441,607	655,312
Total Capital Assets	\$ 70,861,524	\$ 70,933,263	\$ 58,351,270	\$ 58,203,040	\$ 129,212,794	\$ 129,136,303

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$36,253,220. Of this amount, \$717,262 comprises capital leases and \$35,535,958 of the City’s debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

City of Dunedin, FL Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Capital leases	\$ 717,262	\$ 1,085,706	\$ -	\$ -	\$ 717,262	\$ 1,085,706
Revenue bonds	11,759,958	13,066,481	23,776,000	23,776,000	35,535,958	36,842,481
Total Liabilities	\$ 12,477,220	\$ 14,152,187	\$ 23,776,000	\$ 23,776,000	\$ 36,253,220	\$ 37,928,187

The City’s total outstanding debt decreased by \$1,674,967 during the current fiscal year.

Additional information on the City's long-term debt can be found on pages 72 – 79 in the notes to the financial statements (see Note IV.B).

Economic Factors and Next Year's Budgets and Rates

- At the end of the fiscal year, the unemployment rate for the City of Dunedin was 6.2%, which is lower than the rate of 8.2% a year ago, below the national rate of 7.2% (September, 2013), and below the state's unemployment rate of 6.9% (September, 2013).
- A 2.11% increase in taxable property valuation is budgeted for fiscal year 2014. At the same time, the property tax millage increased to 3.7345 mills in fiscal year 2014, from 3.3817 in fiscal year 2013.
- The occupancy rate of the City's downtown has remained high in the downtown area, with minimal vacancies.
- The City is substantially built out and thereby minimizes any major growth impacts.
- The City is largely residential, at approximately 82% of assessed value.

All of these factors were considered in preparing the City's budget for the 2014 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Karen Feeney, Finance Director, at 750 Milwaukee Ave., City of Dunedin, Florida, 34698.

Basic Financial Statements

**City of Dunedin, Florida
Statement of Net Position
September 30, 2013**

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash, cash equivalents, and investments	\$ 16,516,790	\$ 15,787,888	\$ 32,304,678
Receivables, net of allowance for uncollectibles	760,856	5,741,756	6,502,612
Internal balances	(3,820,907)	3,820,907	-
Due from other governments	1,400,237	131,766	1,532,003
Inventories	126,202	633,709	759,911
Prepaid items	8,562	80	8,642
Accrued interest receivable	8,666	23,065	31,731
Deposits	94,271	150	94,421
Restricted cash and cash equivalents	-	2,567,278	2,567,278
Net Pension Assets	106,760	-	106,760
Unamortized bond costs		335,803	335,803
Capital assets, net of accumulated depreciation			
Land	19,734,294	1,628,896	21,363,190
Buildings	22,045,004	1,063,497	23,108,501
Infrastructure	6,855,968	-	6,855,968
Improvements other than buildings	15,925,229	52,069,227	67,994,456
Machinery and equipment	5,539,091	909,981	6,449,072
Construction in progress	761,938	2,679,669	3,441,607
Total assets	<u>86,062,961</u>	<u>87,393,672</u>	<u>173,456,633</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	2,404,152	1,911,959	4,316,111
Accrued interest payable	163,501	422,258	585,759
Due to other governments	37,745	-	37,745
Liabilities payable from restricted assets	-	1,420,645	1,420,645
Noncurrent liabilities:			
Due within one year	1,778,638	1,032,460	2,811,098
Due in more than one year	12,512,800	25,209,013	37,721,813
Total liabilities	<u>16,896,836</u>	<u>29,996,335</u>	<u>46,893,171</u>
<u>NET POSITION</u>			
Net investment in capital assets	58,239,411	33,405,168	91,644,579
Restricted for:			
Capital projects	3,093,752	1,146,633	4,240,385
Community Redevelopment Agency	481,172	-	481,172
Stadium	237,374	-	237,374
Other	612,305	-	612,305
Unrestricted	6,502,111	22,845,536	29,347,647
Total net position	<u>\$ 69,166,125</u>	<u>\$ 57,397,337</u>	<u>\$ 126,563,462</u>

City of Dunedin, Florida
Statement of Activities
For the Fiscal Year Ended 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 3,359,312	\$ 486,155	\$ -	\$ -	\$ (2,873,157)	\$ -	\$ (2,873,157)
Public safety	10,361,120	3,394,107	-	-	(6,967,013)	-	(6,967,013)
Transportation	1,999,785	-	-	503,431	(1,496,354)	-	(1,496,354)
Economic development	445,629	89,624	-	-	(356,005)	-	(356,005)
Culture and recreation	10,111,776	2,215,859	381,213	1,103,025	(6,411,679)	-	(6,411,679)
Interest on long-term debt	528,625	-	-	-	(528,625)	-	(528,625)
Total governmental activities	26,806,247	6,185,745	381,213	1,606,456	(18,632,833)	-	(18,632,833)
Business-type activities:							
Solid waste	5,335,131	4,687,484	-	37,240	-	(610,407)	(610,407)
Water/Sewer utility	15,508,529	15,419,636	-	64,529	-	(24,364)	(24,364)
Stormwater utility	2,725,954	2,937,216	-	35,645	-	246,907	246,907
Marina	292,000	469,253	-	-	-	177,253	177,253
Golf course	30,206	7,452	-	-	-	(22,754)	(22,754)
Total business-type activities	23,891,820	23,521,041	-	137,414	-	(233,365)	(233,365)
Total primary government	\$ 50,698,067	\$ 29,706,786	\$ 381,213	\$ 1,743,870	(18,632,833)	(233,365)	(18,866,198)
General Revenues:							
Property taxes					5,767,080	-	5,767,080
Utility service taxes					4,223,089	-	4,223,089
Intergovernmental revenues:							
Infrastructure sales surtax					3,013,051	-	3,013,051
Half cent sales tax					1,947,273	-	1,947,273
Franchise taxes					2,371,745	-	2,371,745
State revenue sharing					1,109,982	-	1,109,982
Other taxes					171,956	-	171,956
Unrestricted investment earnings / (loss)					48,438	55,609	104,047
Gain on sale of capital assets					11,732	9,179	20,911
Transfers					1,800	(1,800)	-
Total general revenues and transfers					18,666,146	62,988	18,729,134
Change in net position					33,313	(170,377)	(137,064)
Net position - beginning					69,132,812	57,567,714	126,700,526
Net position - ending					\$ 69,166,125	\$ 57,397,337	\$ 126,563,462

**City of Dunedin, Florida
Balance Sheet
Governmental Funds
September 30, 2013**

	General Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents, and investments	\$ 3,070,978	\$ 1,954,047	\$ 583,782	\$ 1,416,632	\$ 7,025,439
Receivables-net of allowance for uncollectibles	735,301	2,461	6,254	3,734	747,750
Due from other governments	794,232	501,496		104,509	1,400,237
Inventories	3,012	-	-	-	3,012
Prepaid items	8,040	-	-	-	8,040
Deposits	1,000	-	-	500	1,500
Total assets	<u>\$ 4,612,563</u>	<u>\$ 2,458,004</u>	<u>\$ 590,036</u>	<u>\$ 1,525,375</u>	<u>\$ 9,185,978</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 241,617	\$ 190,398	\$ -	\$ 100,926	\$ 532,941
Contracts payable	-	16,707	4,091	33,598	54,396
Accrued salaries payable	450,672	-	8,719	11,313	470,704
Accrued expenses	-	-	89,137	-	89,137
Deposits payable	900	-	6,883	500	8,283
Unearned revenue	79,453	-	-	-	79,453
Due to other governments	26,079	-	34	11,632	37,745
Other current liabilities	4,218	-	-	-	4,218
Total liabilities	<u>802,939</u>	<u>207,105</u>	<u>108,864</u>	<u>157,969</u>	<u>1,276,877</u>
Fund Balances:					
Non Spendable	11,052	-	-	-	11,052
Restricted	585,458	2,250,899	481,172	1,107,074	4,424,603
Committed	-	-	-	237,177	237,177
Assigned	115,416	-	-	-	115,416
Unassigned	3,097,698	-	-	23,155	3,120,853
Total fund balances	<u>3,809,624</u>	<u>2,250,899</u>	<u>481,172</u>	<u>1,367,406</u>	<u>7,909,101</u>
Total liabilities and fund balances	<u>\$ 4,612,563</u>	<u>\$ 2,458,004</u>	<u>\$ 590,036</u>	<u>\$ 1,525,375</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	63,531,489
Net pension asset resulting from the effect of contributing more than the annual required actuarial contribution.	106,760
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	79,453
Internal service funds are used by management to charge the costs of fleet and facility management and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	11,005,700
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(13,466,378)
Net position of governmental activities	<u>\$ 69,166,125</u>



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City of Dunedin, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended 2013

	General Fund	One Cent Sales Tax Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 5,403,353	\$ -	\$ 363,727	\$ -	\$ 5,767,080
Franchise	2,371,745	-	-	-	2,371,745
Utility service	4,223,089	-	-	-	4,223,089
Licenses and permits	863,480	-	-	-	863,480
Intergovernmental	3,237,995	3,013,051	-	1,729,861	7,980,907
Charges for services	5,271,182	-	-	322,452	5,593,634
Fines	497,113	-	-	-	497,113
Investment earnings	12,021	5,188	1,587	3,751	22,547
Rents	310,465	-	57,415	6,000	373,880
Contributions and donations	86,937	-	-	241,251	328,188
Other revenue	198,168	-	32,209	56,214	286,591
Total revenues	<u>22,475,548</u>	<u>3,018,239</u>	<u>454,938</u>	<u>2,359,529</u>	<u>28,308,254</u>
EXPENDITURES					
Current:					
General government	3,905,982	-	-	33,933	3,939,915
Public safety	9,927,788	-	-	-	9,927,788
Transportation	1,504,254	-	-	112,208	1,616,462
Economic environment	-	-	398,917	-	398,917
Culture and recreation	7,224,538	-	-	789,226	8,013,764
Debt service:					
Principal	-	435,000	-	975,650	1,410,650
Interest	-	286,188	-	109,672	395,860
Debt - cost of issuance	-	-	-	144,437	144,437
Capital outlay:					
General government	9,055	-	-	223,761	232,816
Public safety	46,301	-	-	-	46,301
Transportation	-	489,906	-	683,155	1,173,061
Economic development	-	211,383	313,472	-	524,855
Culture and recreation	57,975	-	-	744,736	802,711
Aids and grants	267,282	-	19,395	-	286,677
Total expenditures	<u>22,943,175</u>	<u>1,422,477</u>	<u>731,784</u>	<u>3,816,778</u>	<u>28,914,214</u>
Excess of revenues over (under) expenditures	<u>(467,627)</u>	<u>1,595,762</u>	<u>(276,846)</u>	<u>(1,457,249)</u>	<u>(605,960)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	5,244,000	5,244,000
Payment to refunded bond escrow	-	-	-	(5,139,862)	(5,139,862)
Sale of general capital assets	8,683	-	-	-	8,683
Transfers in	220,227	28,245	13,510	1,108,720	1,370,702
Transfers out	(728,621)	(459,116)	(85,000)	(335,755)	(1,608,492)
Total other financing sources (uses)	<u>(499,711)</u>	<u>(430,871)</u>	<u>(71,490)</u>	<u>877,103</u>	<u>(124,969)</u>
Net change in fund balances	(967,338)	1,164,891	(348,336)	(580,146)	(730,929)
Fund balances - beginning	<u>4,776,962</u>	<u>1,086,008</u>	<u>829,508</u>	<u>1,947,552</u>	<u>8,640,030</u>
Fund balances - ending	<u>\$ 3,809,624</u>	<u>\$ 2,250,899</u>	<u>\$ 481,172</u>	<u>\$ 1,367,406</u>	<u>\$ 7,909,101</u>

**City of Dunedin, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended 2013**

Net change in fund balances - total governmental funds (page 34) \$ (730,929)

Amounts reported for governmental activities in the statement of activities (page 31) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	2,779,744	
Less current year depreciation	<u>(3,365,928)</u>	(586,184)

Loss on disposal of capital assets - Governmental Funds (21,584)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Reductions to long-term debt	(5,244,000)	
Bond Retirement	5,139,862	
Principal payments	<u>1,410,650</u>	1,306,512

Pension contributions more than the annual pension costs increase the net pension asset on the statement of net position (211,301)

Unearned Revenue 79,453

Governmental funds do not record revenue in connection with resources that have been received, but not yet earned. Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate current period liabilities

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences / OPEB liability	(107,852)	
Change in accrued interest expense	<u>24,347</u>	(83,505)

Internal service funds are used by management to charge the costs of vehicle maintenance, facility maintenance and self insurance to individual funds. The net income (loss) of the internal service funds is reported with governmental activities. 280,851

Change in net position of governmental activities (page 31)		<u><u>\$ 33,313</u></u>
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City of Dunedin, Florida
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Property	\$ 5,641,971	\$ 5,641,971	\$ 5,403,353	\$ (238,618)
Franchise	2,791,992	2,791,992	2,371,745	(420,247)
Utility service	4,516,469	4,516,469	4,223,089	(293,380)
Licenses and permits	918,275	918,275	863,480	(54,795)
Intergovernmental	3,516,660	3,202,137	3,237,995	35,858
Charges for services	5,250,609	5,250,609	5,271,182	20,573
Fines	217,626	217,626	497,113	279,487
Investment earnings	35,000	35,000	12,021	(22,979)
Rents	277,000	277,000	310,465	33,465
Contributions and donations	2,000	10,375	86,937	76,562
Other revenue	140,500	140,500	198,168	57,668
Total revenues	<u>23,308,102</u>	<u>23,001,954</u>	<u>22,475,548</u>	<u>(526,406)</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
City commission	280,519	183,069	185,451	(2,382)
City manager	484,212	484,212	490,153	(5,941)
Legal	196,500	196,500	150,661	45,839
City clerk	338,999	331,499	322,936	8,563
Finance	947,830	1,141,380	1,063,582	77,798
Administration	529,914	533,420	496,421	36,999
Planning and Development	1,157,147	1,214,195	1,196,778	17,417
Total general government	<u>3,935,121</u>	<u>4,084,275</u>	<u>3,905,982</u>	<u>160,876</u>
Public safety:				
Law enforcement	3,980,658	3,980,658	3,986,949	(6,291)
Fire control	5,896,758	5,896,758	5,940,839	(44,081)
Total public safety	<u>9,877,416</u>	<u>9,877,416</u>	<u>9,927,788</u>	<u>(32,955)</u>
Transportation:				
Streets / Traffic	1,613,995	1,613,995	1,504,254	109,741
Total transportation	<u>1,613,995</u>	<u>1,613,995</u>	<u>1,504,254</u>	<u>109,741</u>
Culture and recreation:				
Library	2,012,601	1,724,955	1,794,700	(69,745)
Parks and Recreation administration	475,658	475,658	489,836	(14,178)
Recreation	2,884,156	2,884,637	2,812,379	72,258
Parks	1,928,550	2,003,778	2,012,173	(8,395)
Dunedin Historical Society	36,738	36,738	36,775	(37)
Dunedin Fine Arts Center	79,291	79,291	78,675	616
Total culture and recreation current	<u>7,416,994</u>	<u>7,205,057</u>	<u>7,224,538</u>	<u>(19,481)</u>
Capital Outlay				
General Government	9,540	14,415	9,055	5,360
Public Safety	63,000	142,982	46,301	96,681
Culture and Recreation	61,400	98,057	57,975	40,082
Total Capital Outlay	<u>133,940</u>	<u>255,454</u>	<u>113,331</u>	<u>142,123</u>
Aids and grants	235,484	298,819	267,282	31,537
Total expenditures	<u>23,212,950</u>	<u>23,335,016</u>	<u>22,943,175</u>	<u>391,841</u>
Excess of revenues over (under) expenditures	95,152	(333,062)	(467,627)	(134,565)
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of general capital assets	5,000	18,251	8,683	(9,568)
Transfers in	150,000	220,227	220,227	-
Transfers out	(446,604)	(780,021)	(728,621)	51,400
Total other financing uses	<u>(291,604)</u>	<u>(541,543)</u>	<u>(499,711)</u>	<u>41,832</u>
Net change in fund balances	(196,452)	(874,605)	(967,338)	(92,733)
Fund balances - beginning	<u>4,808,727</u>	<u>7,123,102</u>	<u>4,776,962</u>	<u>(2,346,140)</u>
Fund balances - ending	<u>\$ 4,612,275</u>	<u>\$ 6,248,497</u>	<u>\$ 3,809,624</u>	<u>\$ (2,438,873)</u>

City of Dunedin, Florida
One Cent Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:	\$ 2,769,844	\$ 2,769,844	\$ 3,013,051	\$ 243,207
Grant Revenues	-	345,926	-	(345,926)
Miscellaneous revenues:				
Investment earnings	-	-	5,188	5,188
Total revenues	<u>2,769,844</u>	<u>3,115,770</u>	<u>3,018,239</u>	<u>(97,531)</u>
<u>EXPENDITURES</u>				
Capital Outlay:				
Transportation	717,237	923,816	489,906	433,910
Economic environment	466,332	1,111,163	211,383	899,780
Culture and recreation	-	110,000	-	110,000
Debt service:				
Principal	435,000	435,000	435,000	-
Interest	286,189	286,189	286,188	1
Total expenditures	<u>1,904,758</u>	<u>2,866,168</u>	<u>1,422,477</u>	<u>1,443,691</u>
Excess of revenues over expenditures	<u>865,086</u>	<u>249,602</u>	<u>1,595,762</u>	<u>1,346,160</u>
<u>OTHER FINANCING SOURCES / (USES)</u>				
Transfers in	-	28,245	28,245	-
Transfers out	<u>(459,116)</u>	<u>(459,116)</u>	<u>(459,116)</u>	<u>-</u>
Total other financing uses	<u>(459,116)</u>	<u>(430,871)</u>	<u>(430,871)</u>	<u>-</u>
Net change in fund balances	405,970	(181,269)	1,164,891	1,346,160
Fund balances - beginning	<u>505,293</u>	<u>706,594</u>	<u>1,086,008</u>	<u>379,414</u>
Fund balances - ending	<u>\$ 911,263</u>	<u>\$ 525,325</u>	<u>\$ 2,250,899</u>	<u>\$ 1,725,574</u>

City of Dunedin, Florida
Community Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Property Taxes	\$ 358,604	\$ 358,604	\$ 363,727	\$ 5,123
Grant Revenues	58,334	58,334	-	(58,334)
Miscellaneous revenues:				
Investment earnings	-	-	1,587	1,587
Rents	-	-	57,415	57,415
Other revenue	-	-	32,209	32,209
Total revenues	<u>416,938</u>	<u>416,938</u>	<u>454,938</u>	<u>38,000</u>
<u>EXPENDITURES</u>				
Current:				
Economic environment	439,867	447,042	398,917	48,125
Capital Outlay:				
Economic environment	117,784	441,832	313,472	128,360
Aids and Grants	36,000	49,000	19,395	29,605
Total expenditures	<u>593,651</u>	<u>937,874</u>	<u>731,784</u>	<u>206,090</u>
Excess of revenues over expenditures	<u>(176,713)</u>	<u>(520,936)</u>	<u>(276,846)</u>	<u>244,090</u>
<u>OTHER FINANCING SOURCES / (USES)</u>				
Transfers in	-	13,510	13,510	-
Transfers out	<u>(25,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
Total other financing uses	<u>(25,000)</u>	<u>(71,490)</u>	<u>(71,490)</u>	<u>-</u>
Net change in fund balances	(201,713)	(592,426)	(348,336)	244,090
Fund balances - beginning	<u>238,973</u>	<u>(138,014)</u>	<u>829,508</u>	<u>967,522</u>
Fund balances - ending	<u>\$ 37,260</u>	<u>\$ (730,440)</u>	<u>\$ 481,172</u>	<u>\$ 1,211,612</u>



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City of Dunedin, Florida
Statement of Net Position
Proprietary Funds
September 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash, cash equivalents, and investments	\$ 273,156	\$ 11,373,244	\$ 2,872,233	\$ 1,261,736	\$ 7,519	\$ 15,787,888	\$ 9,491,351
Restricted cash-customer deposits	104,016	1,255,792	-	60,837	-	1,420,645	-
Restricted cash-impact fees	-	1,146,633	-	-	-	1,146,633	-
Receivables-net of allowance for uncollectibles	651,635	2,044,445	350,162	9,316	-	3,055,558	13,106
Interest Receivable	326	17,615	3,449	1,667	8	23,065	8,666
Charges receivable-capital recovery	-	269,092	-	-	-	269,092	-
Due from other governments	-	131,766	-	-	-	131,766	-
Due from other funds	-	1,262,000	-	-	-	1,262,000	613,784
Inventories	-	633,709	-	-	-	633,709	123,190
Prepaid items	-	21	59	-	-	80	522
Deposits	-	-	-	-	150	150	92,771
Total current assets	<u>1,029,133</u>	<u>18,134,317</u>	<u>3,225,903</u>	<u>1,333,556</u>	<u>7,677</u>	<u>23,730,586</u>	<u>10,343,390</u>
Noncurrent assets:							
Charges receivable-capital recovery	-	2,417,106	-	-	-	2,417,106	-
Unamortized Bond Issue Costs	-	234,278	101,525	-	-	335,803	-
Land	-	305,364	250,000	-	1,073,532	1,628,896	-
Buildings	333,053	15,878,895	2,000	90,599	167,338	16,471,885	3,897,478
Improvements other than buildings	50,990	99,584,529	21,639,619	2,283,137	291,651	123,849,926	4,744
Machinery and equipment	790,825	1,900,746	507,000	7,591	12,929	3,219,091	12,928,440
Construction in progress	-	1,490,938	981,665	207,066	-	2,679,669	701,323
Less accumulated depreciation	<u>(958,827)</u>	<u>(80,529,335)</u>	<u>(5,689,801)</u>	<u>(2,003,231)</u>	<u>(317,003)</u>	<u>(89,498,197)</u>	<u>(10,201,950)</u>
Total capital assets, net	<u>216,041</u>	<u>38,631,137</u>	<u>17,690,483</u>	<u>585,162</u>	<u>1,228,447</u>	<u>58,351,270</u>	<u>7,330,035</u>
Total noncurrent assets	<u>216,041</u>	<u>41,282,521</u>	<u>17,792,008</u>	<u>585,162</u>	<u>1,228,447</u>	<u>61,104,179</u>	<u>7,330,035</u>
Total assets	<u>1,245,174</u>	<u>59,416,838</u>	<u>21,017,911</u>	<u>1,918,718</u>	<u>1,236,124</u>	<u>84,834,765</u>	<u>17,673,425</u>

City of Dunedin, Florida
Statement of Net Position
Proprietary Funds
September 30, 2013
(continued)

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 138,828	\$ 717,591	\$ 231,724	\$ 69,926	\$ -	\$ 1,158,069	\$ 676,150
Accrued liabilities	-	-	-	2,449	-	2,449	16,525
Contracts payable	-	217,218	215,071	17,297	-	449,586	67,680
Accrued salaries payable	51,726	219,160	25,718	5,251	-	301,855	52,291
Compensated absences	70,721	27,965	33,774	-	-	132,460	15,280
Accrued interest payable	-	307,876	114,382	-	-	422,258	18,607
Customer deposits payable-restricted assets	104,016	1,255,792	-	60,837	-	1,420,645	-
Due to other funds	-	613,784	-	-	-	613,784	1,262,000
Bonds payable	-	679,111	220,889	-	-	900,000	-
Capital leases payable	-	-	-	-	-	-	302,085
Claims liabilities	-	-	-	-	-	-	431,828
Total current liabilities	<u>365,291</u>	<u>4,038,497</u>	<u>841,558</u>	<u>155,760</u>	<u>-</u>	<u>5,401,106</u>	<u>2,842,446</u>
Noncurrent liabilities:							
Bonds payable	-	16,939,998	7,106,104	-	-	24,046,102	-
Capital leases payable	-	-	-	-	-	-	415,176
Compensated absences	166,231	798,701	45,669	9,540	-	1,020,141	212,211
OPEB liability	23,309	104,348	11,919	3,194	-	142,770	25,201
Total noncurrent liabilities	<u>189,540</u>	<u>17,843,047</u>	<u>7,163,692</u>	<u>12,734</u>	<u>-</u>	<u>25,209,013</u>	<u>652,588</u>
Total liabilities	<u>554,831</u>	<u>21,881,544</u>	<u>8,005,250</u>	<u>168,494</u>	<u>-</u>	<u>30,610,119</u>	<u>3,495,034</u>
NET POSITION							
Net investment in capital assets	216,041	21,012,028	10,363,490	585,162	1,228,447	33,405,168	6,612,774
Restricted for capital projects	-	1,146,633	-	-	-	1,146,633	-
Unrestricted	474,302	15,376,633	2,649,171	1,165,062	7,677	19,672,845	7,565,617
Total net position	<u>\$ 690,343</u>	<u>\$ 37,535,294</u>	<u>\$ 13,012,661</u>	<u>\$ 1,750,224</u>	<u>\$ 1,236,124</u>	<u>\$ 54,224,646</u>	<u>\$ 14,178,391</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							<u>3,172,691</u>
Net position of business-type activities							<u>\$ 57,397,337</u>

City of Dunedin, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds						Total	Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Internal Service Funds		
Operating revenues:								
Charges for services	\$ 4,666,647	\$ 15,080,864	\$ 2,937,064	\$ 464,732	\$ -	\$ 23,149,307	\$ 9,622,642	
Other operating revenue	20,837	338,772	152	4,521	7,452	371,734	118,495	
Total operating revenues	<u>4,687,484</u>	<u>15,419,636</u>	<u>2,937,216</u>	<u>469,253</u>	<u>7,452</u>	<u>23,521,041</u>	<u>9,741,137</u>	
Operating expenses:								
Personal services	1,332,437	5,742,105	729,729	174,374	-	7,978,645	1,400,058	
Supplies and services	4,165,204	5,286,240	734,366	120,990	-	10,306,800	6,752,755	
Depreciation	37,238	3,978,815	1,036,463	41,334	32,994	5,126,844	1,184,297	
Total operating expenses	<u>5,534,879</u>	<u>15,007,160</u>	<u>2,500,558</u>	<u>336,698</u>	<u>32,994</u>	<u>23,412,289</u>	<u>9,337,110</u>	
Operating income (loss)	<u>(847,395)</u>	<u>412,476</u>	<u>436,658</u>	<u>132,555</u>	<u>(25,542)</u>	<u>108,752</u>	<u>404,027</u>	
Nonoperating revenues (expenses):								
Investment earnings	689	49,879	1,419	3,603	19	55,609	25,891	
Interest/amortization expense	-	(631,729)	(235,516)	-	-	(867,245)	(12,675)	
Gain (loss) on disposal of capital assets	3,640	5,539	-	-	-	9,179	11,732	
Total nonoperating revenues (expenses)	<u>4,329</u>	<u>(576,311)</u>	<u>(234,097)</u>	<u>3,603</u>	<u>19</u>	<u>(802,457)</u>	<u>24,948</u>	
Income before contributions and transfers	<u>(843,066)</u>	<u>(163,835)</u>	<u>202,561</u>	<u>136,158</u>	<u>(25,523)</u>	<u>(693,705)</u>	<u>428,975</u>	
Capital contributions	37,240	64,529	35,645	-	-	137,414	-	
Transfers in	-	-	-	45,000	-	45,000	563,405	
Transfers out	<u>(46,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,800)</u>	<u>(323,815)</u>	
Change in net position	<u>(852,626)</u>	<u>(99,306)</u>	<u>238,206</u>	<u>181,158</u>	<u>(25,523)</u>	<u>(558,091)</u>	<u>668,565</u>	
Net position - beginning	1,542,969	37,634,600	12,774,455	1,569,066	1,261,647	13,509,826	13,509,826	
Net position - ending	<u>\$ 690,343</u>	<u>\$ 37,535,294</u>	<u>\$ 13,012,661</u>	<u>\$ 1,750,224</u>	<u>\$ 1,236,124</u>	<u>\$ 14,178,391</u>	<u>\$ 14,178,391</u>	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						<u>387,714</u>		
Changes in net position of business-type activities (page 31)						<u>\$ (170,377)</u>		

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds						Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 4,768,149	\$ 15,423,063	\$ 3,844,012	\$ 464,481	\$ -	\$ 24,499,705	\$ 9,625,821
Payments to suppliers	(4,117,445)	(4,775,457)	(601,474)	(39,058)	-	(9,533,434)	(6,156,367)
Payments to employees	(1,313,767)	(5,608,032)	(700,387)	(174,489)	-	(7,796,675)	(1,418,383)
Internal activity-payments to other funds	-	-	-	-	-	-	-
Other operating revenues	20,837	338,772	152	4,521	7,452	371,734	118,495
Net cash provided by (used in) operating activities	(642,226)	5,378,346	2,542,303	255,455	7,452	7,541,330	2,169,566
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	-	45,000	-	45,000	563,405
Transfers out	(46,800)	-	-	-	-	(46,800)	(323,815)
Due from other funds	-	(1,312,000)	-	-	-	(1,312,000)	50,000
Due to other funds	-	-	-	-	-	-	1,262,000
Net cash provided by (used in) noncapital financing activities	(46,800)	(1,312,000)	-	45,000	-	(1,313,800)	1,551,590
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	(18,229)	(3,085,261)	(1,964,517)	(207,066)	-	(5,275,073)	(1,743,971)
Proceeds of capital debt	-	-	-	-	-	-	-
Principal paid on capital debt	-	-	(181,478)	-	-	(181,478)	(368,445)
Interest paid on capital debt	-	(508,256)	-	-	-	(508,256)	(31,174)
Payment of debt issuance costs	-	-	-	-	-	-	-
Proceeds from sale of capital assets	3,640	5,539	-	-	-	9,179	35,366
Proceeds from capital contributions	37,240	284,475	35,645	-	-	357,360	-
Capital contributions from other funds	-	-	-	-	-	-	-
Capital contributions to other funds	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	22,651	(3,303,503)	(2,110,350)	(207,066)	-	(5,598,268)	(2,108,224)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment earnings received	363	32,264	(2,030)	1,936	11	32,544	13,611
Net cash provided by (used in) investing activities	363	32,264	(2,030)	1,936	11	32,544	13,611
Net increase (decrease) in cash and cash equivalents	(666,012)	795,107	429,923	95,325	7,463	661,806	1,626,543
Cash and cash equivalents - October 1	1,043,184	12,980,562	2,442,310	1,227,248	56	17,693,360	7,864,808
Cash and cash equivalents - September 30	\$ 377,172	\$ 13,775,669	\$ 2,872,233	\$ 1,322,573	\$ 7,519	\$ 18,355,166	\$ 9,491,351
CLASSIFIED AS:							
Cash and cash equivalents	\$ 273,156	\$ 11,373,244	\$ 2,872,233	\$ 1,261,736	\$ 7,519	\$ 15,787,888	\$ 9,491,351
Restricted cash and cash equivalents	104,016	2,402,425	-	60,837	-	2,567,278	-
Total cash and cash equivalents	\$ 377,172	\$ 13,775,669	\$ 2,872,233	\$ 1,322,573	\$ 7,519	\$ 18,355,166	\$ 9,491,351

City of Dunedin, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2013
(continued)

	Business-type Activities - Enterprise Funds						Total	Governmental Activities
	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Internal Service Funds		
	\$ (847,395)	\$ 412,476	\$ 436,658	\$ 132,555	\$ (25,542)	\$ 108,752	\$ 404,027	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	37,238	3,978,815	1,036,463	41,334	32,994	5,126,844	1,184,297	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation	(2,514)	467,169	205,566	(3,249)	-	666,972	3,179	
(Increase) decrease in Accounts receivable	-	93,227	701,382	-	-	794,609	(22,497)	
Inventories	-	(44,998)	-	-	-	(44,998)	-	
Due from other governments	-	835	(59)	-	-	776	31,506	
Prepaid items								
Increase (decrease) in Accounts payable	47,759	441,426	132,951	81,932	-	704,068	536,771	
Accrued expenses	1,625	5,712	2,341	(532)	-	9,146	(41,184)	
Increase in other liabilities	-	-	-	-	-	-	-	
Deposits	104,016	(79,972)	-	2,998	-	27,042	7,229	
Claims liabilities	-	-	-	-	-	-	90,025	
Compensated absences / OPEB	17,045	103,656	27,001	417	-	148,119	(23,787)	
Total adjustments	205,169	4,965,870	2,105,645	122,900	32,994	7,432,578	1,765,539	
Net cash provided by (used in) operating activities	\$ (642,226)	\$ 5,378,346	\$ 2,542,303	\$ 255,455	\$ 7,452	\$ 7,541,330	\$ 2,169,566	

Fiduciary Funds

Fiduciary Funds are used to account for resources that are managed in a trustee capacity or as an agent for other parties or funds.

Pension Trust

Firefighters' Retirement

To account for the accumulation of resources to be used for the retirement annuities of all firefighters. The City contributes an amount determined by an annual actuarial study.

City of Dunedin, Florida
Statement of Net Position
Fiduciary Fund
September 30, 2013

	Municipal Firefighters Pension Trust Fund
ASSETS	
Investments	
U.S. government obligations	\$ 1,258,999
U.S. government agencies	1,463,134
Corporate equities	14,466,392
Temporary investment funds	589,625
Real estate investment funds	2,034,041
Corporate obligations	2,688,132
Receivables - broker-dealers	15,769
Due from other governments	43,463
Prepaid items	1,016
Interest receivable	36,842
Total assets	22,597,413
LIABILITIES	
Accounts payable	203,438
Total liabilities	203,438
NET POSITION	
Held in trust for pension benefits	\$ 22,393,975

City of Dunedin, Florida
Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended September 30, 2013

	Municipal Firefighters Pension Trust Fund
ADDITIONS:	
Contributions	
Employer	\$ 358,128
Plan members	172,605
Excise tax rebate (state of Florida)	314,996
Total contributions	<u>845,729</u>
Investment earnings	
Net appreciation in fair value of investments	2,265,427
Interest	145,806
Dividends	213,723
Total investment earnings	<u>2,624,956</u>
Less investment expenses	<u>(118,697)</u>
Net investment earnings	<u>2,506,259</u>
Miscellaneous revenue	<u>2,990</u>
Total additions	<u>3,354,978</u>
DEDUCTIONS:	
Benefits	1,067,157
Refunds	40,952
Administrative expenses	48,949
Total deductions	<u>1,157,058</u>
Change in net position	2,197,920
Net position - beginning	<u>20,196,055</u>
Net position - ending	<u><u>\$ 22,393,975</u></u>



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CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dunedin, Florida (the "City"), which was founded on June 1, 1899, and incorporated under Chapter 4877, Acts of 1899 of the State of Florida, has a population of approximately 35,000 (which includes seasonal residents) living within an area approximating 10 square miles. The City is contiguous to the northern side of Clearwater, Florida. The City operates under a Charter originally adopted January 6, 1926, and a Commission-Manager form of government. The most recent revision to the City's Charter was on November 6, 2012.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

A. REPORTING ENTITY

The City is a Florida municipal corporation with a five member City Commission comprised of the Mayor (elected at large) and four commissioners. In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, may be included within the City's Financial Statements. In accordance with GASB Statement No. 61 the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board, and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the foregoing criteria, the Community Redevelopment Agency has been included in the City's financial statements in a blended presentation. The City Commission serves as the CRA Board. Although legally separate, the CRA is blended as a special revenue fund type component unit into the primary government.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The City reports the following major funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.
- The *One Cent Sales Tax Fund* is a capital projects fund and accounts for the costs of infrastructure having a life expectancy of five (5) or more years and is funded by proceeds from the one-cent sales surtax approved by Pinellas County, Florida voters.
- The *Community Redevelopment Agency Fund* is a special revenue fund to account for the receipt, custody and expenditure of property tax increment funds associated with related redevelopment projects.
- The *Solid Waste Fund* is an enterprise fund and accounts for the provision of solid waste services to the residents of the City and some County residents. All activities necessary to the provisions of this service are accounted for in this fund.
- The *Water/Sewer Utility Fund* is an enterprise fund and accounts for the provision of water and sewer services to residents of the City, and some County residents. All activities necessary for the provision of these services are accounted for in this fund.
- The *Stormwater Utility Fund* is an enterprise fund and accounts for the provision of services for the collection, storage, treatment and conveyance of stormwater for the benefit of all developed property within the City.
- The *Marina Fund* is an enterprise fund and accounts for the financing, operation and maintenance of the City marina and the associated real property.
- The *Golf Course Fund* is an enterprise fund and accounts for the financing, operation and maintenance of the City's golf course.

Additionally, the City reports the following fund types:

- The *Internal Service Funds* account for building maintenance, vehicle maintenance and self-insurance (risk management for property and casualty and health) provided to other departments of the City on a cost reimbursement basis.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

- The *Pension Trust Fund* is a fiduciary fund and accounts for the activities of the Firefighters' Retirement Plan, which accumulates resources for pension benefit payments to firefighters.

As a general rule the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including restricted investment earnings. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the solid waste, water/sewer utility, stormwater utility, marina, and golf course enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition, such as water/sewer utility fund impact fees, are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and investments

The City considers cash on hand, demand deposits, and bank repurchase agreements with an original maturity of 90 days or less to be cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be withdrawn from the pool at any time without prior notice or penalty.

State statutes and local law authorize the City to invest in direct obligations of the U.S., Federally-supported Agencies and Instrumentalities, Florida government investment

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

1. Deposits and Investments (continued)

pools, commercial paper, repurchase agreements, debt of Florida political subdivisions, money market mutual funds, time deposits, savings accounts, mutual funds and bankers acceptances.

The City's investments are reported at fair value. The Florida State Board of Administration (SBA) Local Government Pool Florida PRIME has met the criteria to be considered a "2A-7 like" investment pool as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the City's investment in this pool is determined by the pool's share price (account balance). The SBA Fund B does not meet the criteria to be considered a "2A-7 like" investment pool; therefore SBA provides a fair value factor to be applied to a participant's account balance.

2. Receivables and Payables

Activity between funds that is representative of short-term lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds". All other outstanding balances between funds not expected to be repaid within the availability period are reported as advances. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Long-term advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account categorized as nonspendable in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable are recorded in the General, Special Revenue, Capital Projects, Enterprise, and Internal Service funds. Where appropriate, an associated allowance for doubtful accounts has been established.

Utility (water/sewer and stormwater), solid waste and marina operating revenues are generally recognized on the basis of monthly cycle billings. The City records utility operating revenues and receivables for services delivered during the current fiscal year which will be billed during the next fiscal year.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

3. Property Taxes

All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified by the County Property Appraiser. The County mails to each property owner on the assessment roll a notice of tax levy by the various governmental entities in the County.

Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in November, 3% if paid in December, 2% if paid in January and 1% if paid in February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which the taxes were assessed.

On or before April 25 of each year, a list of delinquent personal property tax payers is advertised. Warrants are issued directing seizure and sale of the personal property of the taxpayer if the delinquent taxes are not paid before May. 1. On or before June 1 of the following year in which taxes are assessed, liens are filed and tax certificates are sold on all real estate parcels with outstanding taxes. These parcels are advertised once a week for four weeks prior to the tax certificate sale. As a result of the process, the City's delinquent or uncollected property taxes at year-end are not collectible. Uncollected property taxes at year-end are not considered likely to be collected. Therefore, the City recognizes an allowance against the entire outstanding delinquent property tax balance.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation (exclusive of taxes levied for the payment of bonds). The millage rate levied by the City for the fiscal year ended September 30, 2013 was 3.3817.

4. Inventories

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of general office, printing, traffic control and maintenance supplies. Inventories included in the Utility Fund consist of parts held for repair and maintenance of the system. Inventories included in the Internal Service Funds consist of maintenance parts, tires, fuels and supplies. Inventories are stated at average or weighted average cost. Appropriate allowances have been recorded for obsolete and surplus items.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

5. Prepaid Items

Payments made to vendors for services that will benefit subsequent fiscal years are recorded as prepaid items. The cost of these items are recorded as expenditures when consumed rather than when purchased. Prepaid items are equally offset by a fund balance reserve categorized as non-spendable, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Infrastructure	50
Building Improvements	20
Improvements other than Buildings	20-40
Machinery and Equipment	5-10

7. Accumulated Unused Compensated Absences

The City records the "vested portion of accumulated unused compensated absences" at the end of each fiscal year, based on each employee's accumulated unused hours and rate of pay. The accumulated unused portion as of September 30 is treated as both a short-term and long-term liability.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

7. Accumulated Unused Compensated Absences (continued)

It is the City's policy in its Proprietary Funds to reflect on an accrual basis the amounts of earned but unused vacation leave and that portion of earned but unused sick leave estimated to be payable upon retirement.

8. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable, governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, issuance costs, and any losses on the refunding of any bond issuances (gain or loss on defeasance), are amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Loss on defeasance is the difference between the reacquisition price of the refunded debt and the net carrying amount at the time of the refunding. Bonds payable are reported net of the applicable unamortized bond premium or discount or deferred loss on refunding.

9. Postemployment Health and Life Insurance Benefits

The City makes available healthcare insurance for eligible retirees through the City's group health insurance plan, which covers both active and retired members. Retirees pay the full cost of healthcare insurance, which is a single, blended premium rate that is used for both active employees and retired members. The City follows the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" by recognizing annual Other Postemployment Benefits (OPEB) expense and related obligations.

10. Restricted Assets

A portion of assets are restricted due to constraints that are either 1) externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Cash and cash equivalents held as customer deposits, impact fee revenue or other deposits are shown as restricted.

11. Unearned Revenue

License fees and recreation receipts are unearned because the revenue has been received, but not earned. These payments are received in advance of the services provided. The

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

11. Unearned Revenue (continued)

unearned revenue will be recognized as revenue in the fiscal year it is deemed earned or in the year that it becomes available.

12. Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City has established limitations on the use of resources through commitments (committed fund balance) or assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City's Commission, via resolution and must be removed in the same fashion.

Amounts in assigned fund balance are also intended to be used for specific purposes but do not meet the criteria to be classified as committed. The Commission has by resolution authorized the City Manager or Finance Director to assign fund balance.

13. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. Since they do not constitute expenditures or liabilities, encumbrances outstanding at year end are reported as restricted, committed, or assigned fund balances, depending on the nature of each encumbrance.

14. Net Position

Net position reported in the government-wide and proprietary fund financial statements is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to net investment in capital assets. Restricted net position presents net position restricted for Capital projects, Debt service, Housing services, Law enforcement, Community redevelopment and other externally imposed constraints or imposed by law through constitutional provisions or enabling legislation.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES, EXPENDITURES AND EXPENSES

1. Operating Subsidies, Grants, and Impact Fees

Grants to proprietary funds used for construction or to finance current operations are recorded as contributions or non-operating revenue, respectively, when earned.

Impact fees represent a capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing new additions to the Utility System. The City is obligated to expend these funds only to provide expanded capacity to the system. Water and sewer impact fee revenues are classified as contributions.

2. Interfund Transactions

Interfund sales and purchases are accounted for as fund revenues, expenditures or expenses (as appropriate). Transactions which constitute reimbursements to a fund for expenditures (expenses) initially made are recorded as expenditures or expenses (as appropriate) in the reimbursing fund, and as reductions of the expenditures (expenses) in the reimbursed fund. All interfund transactions except loans, reimbursements and interfund sales and purchases are accounted for as transfers or contributions. At fiscal year-end there are two due to/from transactions. One is from the Self-Insurance fund to the Water and Wastewater Fund. The other is from the Water/Sewer fund to the Facilities fund. See Note IV A. 4. Interfund transfers.

3. Administrative Charges

Certain administrative expenses are incurred by the General Fund on behalf of the other funds. In addition, some administrative charges are incurred by the Water/Sewer Utility Fund for services rendered that benefit other funds. Both the General Fund and the Water/Sewer Utility Fund receive payment for these services based on a percentage allocation in accordance with budgeted appropriations. These administrative reimbursements for the year ended September 30, 2013 are presented on the next page.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES, EXPENDITURES AND EXPENSES (CONTINUED)

3. Administrative Charges (continued)

Reimbursements to the General Fund were charged to the following funds:

<u>Fund</u>	<u>Amount</u>
Solid Waste	\$ 359,517
Water/ Sewer Utility	1,070,934
Marina	36,917
Stormwater	128,885
Total	<u>\$ 1,596,253</u>

Reimbursements to the Water/Sewer Utility Fund, including engineering and utility billing services, were charged to the following funds:

<u>Fund</u>	<u>Amount</u>
Solid Waste	122,582
Marina	13,867
Facilities CIP	12,837
One Cent	94,526
Parks & Recreation CIP	20,073
Stormwater	187,199
CRA	26,260
Total	<u>\$ 477,344</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between *total fund balance - governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Accrued Interest Payable	\$	144,894
Revenue Bonds Payable		11,759,958
Compensated Absences		1,327,025
Net OPEB Obligation		<u>234,501</u>
Net adjustment to reduce <i>total fund balance - governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>13,466,378</u>

NOTE III – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City’s budget policy is summarized as follows:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Beginning in FY 2015, a two-year budget will be adopted. All annual appropriations lapse at fiscal year-end.
2. The City Manager submits to the City Commission a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is approved by the City Commission through the passage of a resolution. The level on which expenditures/expenses may not legally exceed appropriations is at the fund level.
5. The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted amounts between departments, and make budget transfers affecting personnel, provided these changes have a zero net effect on the City’s budget. All increases and decreases in fund balance, personnel budget changes, and transfers between funds, must have City Commission approval.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE IV – DETAIL NOTES - ALL FUNDS

A. ASSETS

1. Cash and Cash Equivalents and Investments

The City of Dunedin maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reported in "Cash and Cash Equivalents." Interest earned by this pool is distributed to each fund monthly based on average month-end balances.

The City's investment policy and guidelines are defined by City ordinance. The written investment policy was revised, by City Commission approval, on February 18, 2010. The policy specifies limits by instrument and institution (within instrument) and establishes a diversified investment strategy, minimum credit quality and authorized institutions available as counterparties. In addition to authorizing investment instruments, the City's policy also identifies various portfolio parameters addressing issuer diversification, term-to-maturity and liquidity. Implementation and direction, within policy limits, is managed by the Director of Finance, with City Manager approval required for all transactions.

The investment policy of the City of Dunedin Municipal Firefighters Pension Trust Fund was created by, and is periodically amended by, the pension board.

a. Custodial Credit Risk – Cash and Investments

Custodial credit risk is defined as the risk that a government will not be able to recover deposits or the value of its investments in the event of a failure of a depository financial institution or a third party holding the investment securities. The City's investment policy requires that time deposits, demand deposits, savings accounts and non-negotiable certificates of deposit must be held by institutions organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida as qualified public depositories, provided that any such deposits are secured and collateralized by the Florida Security for Public Deposits Act (Chapter 280, Florida Statutes). In addition, the policy requires all investment securities to be held by a third party custodian in

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

a. Custodial Credit Risk – Cash and Investments (continued)

the name of the City. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusions of the transaction.

As of September 30, 2013, the bank balance of the City's deposits was \$6,801,144. The bank balance is insured by federal depository insurance and, for the amount in excess of such federal depository insurance, is collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

The investment policy of the City of Dunedin Municipal Firefighters Pension Trust Fund (the Firefighters Pension Plan) requires all securities to be held by a third party custodian in the name of the Firefighters Pension Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Regions Morgan Keegan Trust (Regions) periodically holds uninvested cash in its capacity as custodian for the Firefighters Pension Plan. These funds exist temporarily as cash in the process of collection from the sale of securities. As of September 30, 2013, the Firefighters Pension Plan’s investments are managed under separate investment agreements with Rockwood Capital Advisors, LLC and Harding Loevner LP. These agreements give Regions the custodianship, but gives Rockwood Capital Advisors, LLC and Harding Loevner LP the authority to manage the investments. All securities held by Regions are in the name of the Firefighters Pension Plan.

b. Credit Risk

Credit risk is the risk resulting from potential default of investments that are not financially sound. The City’s investment policy limits credit risk by restricting authorized investments to include only the following types, along with the following minimum credit rating, where applicable:

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

b. Credit Risk (continued)

- U.S. Treasury and Agency Securities
- Government Sponsored Enterprises (AAA/Aaa)
- Local Government Investment Pools (AAAm or equivalent)
- The State Board of Administration (SBA) or Florida PRIME (AAAm or equivalent)
- General or Revenue Debt Obligations of State and Local Governments (AAA/Aaa)
- Money Market Mutual Funds (AAAm)
- Bank Deposits / Certificates of Deposit
- Corporate Debt Instruments and Commercial Paper (AA-/Aa3)
- Repurchase Agreements (A1+/P1/F1+)

The City's cash and cash equivalents and investments consisted of the following as of September 30, 2013:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>	<u>Percentage of Total</u>	<u>Weighted Average Duration (In Years)</u>
Money Market Funds	\$ 2,020,115	Aaa/AAAm	5.79%	
Florida SAFE	14,298,527	AAAm	41.00%	0.20
SBA - Florida PRIME	423,365	AAAm	1.21%	0.10
SBA - Fund B	324,765	Not Rated	0.93%	Not available
Bank United CDs	11,000,000		31.54%	
Cash in bank	6,801,144		19.50%	
Petty cash	4,040		0.01%	
Total Cash and Investments	<u>\$ 34,871,956</u>			

The SBA Pool experienced a liquidity crisis in November 2007 which caused the Pool to be frozen, due to downgrades in a portion of the Pool's investments. The Pool was eventually divided into two pools, currently Florida PRIME and Fund B. Florida PRIME manages billions of dollars for Florida local governments and purchases investments consistent with Chapter 215.47, Florida Statutes.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

b. Credit Risk (continued)

Florida PRIME operates as a ‘2a-7 like’ fund. Fund B is not rated by any nationally recognized statistical rating agency and consists of restructured or defaulted securities. As Fund B does not meet the requirement of a ‘2a-7 like’ fund, the SBA has provided an adjustment to fair value based on the net asset value of the units outstanding.

Florida SAFE is a surplus asset trust fund, which was developed by and for Florida local governments. Florida SAFE adheres to the requirement to maintain a net asset value of \$1.00 per share or higher. Florida SAFE invests its proceeds in U.S. Government Agencies and Commercial Paper.

The Firefighters Pension Plan’s investment guidelines limit its fixed income investments to a credit quality rating of “A” or equivalent as rated by Moody’s or by Standard & Poor’s bond rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

Investments held by the Firefighters Pension Plan are summarized as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>	<u>Percentage of Total</u>	<u>Effective Duration (In Years)</u>
U.S. Government Obligations	\$ 1,258,999	AA	5.60%	
U.S. Government Agencies	1,463,134	AA	6.50%	1.7
Corporate Obligations	2,688,132	BAA-A	11.95%	5.1
Domestic Stocks	12,340,161		54.84%	
International Stocks	2,126,231		9.45%	
Real Estate Investment Fund	2,034,041		9.04%	
Temporary Investment Funds	589,625	AAA	2.62%	Daily
Total Pension Funds	<u>\$ 22,500,323</u>			

c. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quantity of investment in a single issuer. To limit this risk, the City’s investment policy requires

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

c. Concentration of Credit Risk (continued)

diversification of the portfolio with maximum limits on what can be invested per investment type. In addition to a maximum level of investment in aggregate by security type, no more than 25% of the City's investment portfolio may be invested in a single issuer. The maximum concentration limits per investment type allowed by the City's investment policy are as follows:

- U.S. Treasury and Agency Securities – 95%
- Government Sponsored Enterprises – 50%
- Local Government Investment Pools – 50%
- The State Board of Administration (SBA) or Florida PRIME – 5%
- General or Revenue Debt Obligations of State and Local Governments – 10%
- Money Market Mutual Funds – 25%
- Certificates of Deposit – 40%
- Corporate Debt Instruments and Commercial Paper – 10%
- Repurchase Agreements – 10%

The Firefighters Pension Plan's policy limits investments in foreign fixed income or equity securities to 25% of the total portfolio. At year end a higher percentage is invested in equity securities. This was a temporary situation and has since been resolved. In addition, not more than 5% of the portfolio may be invested in common stock of any one issuing company. The Firefighters Pension Plan had no investments that individually represented 5% or more of the Plan's net assets available for benefits as of September 30, 2013.

d. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer time to maturity equates to greater exposure to interest rate risk. The City manages its exposure to fair value losses arising from increasing rates through its adopted investment policy. The City's policy limits its fixed portfolio's weighted average maturity to 3 years and the duration of the overall portfolio to 5 years. All of the City's fixed income investments had a weighted average maturity of less than one year.

The Firefighters Pension Plan's investment policy limits the effective duration of its fixed income portfolios through the adoption of the Barclays Capital Aggregate Bond Index benchmark. The U.S. Government obligations had an effective duration of 2.9

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

1. Cash and Cash Equivalents and Investments (continued)

d. Interest Rate Risk (continued)

years; the U.S. Government agencies had an effective duration of 1.7 years, and corporate obligations had an effective duration of 5.1 years.

2. Receivables

Receivables as of the fiscal year ended September 30, 2013 for the City's major governmental and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	One Cent Sales Tax Fund	Community Redevelopment Agency	Solid Waste	Water/Sewer Utility	Stormwater Utility	Marina	Golf Course	Total
Receivables:									
Accounts Billed	\$ 838,158	\$ 2,461	\$ 6,254	\$ 277,477	\$ 800,176	\$ 859,597	\$ 10,616	\$ -	\$ 2,794,739
Accounts Unbilled	-	-	-	380,394	1,360,175	247,091	-	-	1,987,660
Liens	-	-	-	22,885	90,508	7,219	-	-	120,612
Reclaimed Connection Fee	-	-	-	-	269,092	-	-	-	269,092
Interest	3,762	-	-	326	17,615	3,449	1,667	8	26,827
Gross Receivables	841,920	2,461	6,254	681,082	2,537,566	1,117,356	12,283	8	5,198,930
Less: Allowance for Uncollectibles	106,619	-	-	29,121	206,414	763,745	1,300	-	1,107,199
Net Total Receivables	<u>\$ 735,301</u>	<u>\$ 2,461</u>	<u>\$ 6,254</u>	<u>\$ 651,961</u>	<u>\$ 2,331,152</u>	<u>\$ 353,611</u>	<u>\$ 10,983</u>	<u>\$ 8</u>	<u>\$ 4,091,731</u>

As the operator of Solid Waste, Utilities, and Marina programs, the City grants credit to their customers, substantially all of whom are City residents. Non-current receivables are not included in the chart above.

Governmental funds do not record revenue in connection with resources that have been received, but not yet earned. Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate current period liabilities. At the end of the current fiscal year, the General Fund was the only fund that reported unearned revenue. The *unearned revenue* reported in the General Fund consisted of the following:

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

2. Receivables (continued)

	General Fund
Recreation receipts not yet earned	\$ 8,055
License fees not yet earned	71,398
	\$ 79,453

3. Capital Assets

a. Capital asset activity

Capital asset activity for the fiscal year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 19,734,294	\$ -	\$ -	\$ 19,734,294
Construction in Process	413,327	761,939	(413,328)	\$ 761,938
Total Capital not being Depreciated	20,147,621	761,939	(413,328)	20,496,232
<i>Capital Assets being Depreciated:</i>				
Buildings	38,888,510	580,394	(274,026)	39,194,878
Infrastructure	7,780,329	1,107,202	-	8,887,531
Improvements other than Buildings	30,045,463	1,352,708	(1,068,236)	30,329,935
Machinery and Equipment	19,768,740	1,134,801	(709,260)	20,194,281
Total Capital Assets being Depreciated	96,483,042	4,175,105	(2,051,522)	98,606,625
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(15,822,661)	(1,572,951)	245,738	(17,149,874)
Infrastructure	(1,833,633)	(197,930)	-	(2,031,563)
Improvements other than Buildings	(14,029,516)	(1,443,425)	1,068,235	(14,404,706)
Machinery and Equipment	(14,011,590)	(1,330,486)	686,886	(14,655,190)
Total Accumulated Depreciation	(45,697,400)	(4,544,792)	2,000,859	(48,241,333)
Total Capital Assets being Depreciated, net	50,785,642	(369,687)	(50,663)	50,365,292
Governmental Activities Capital Assets, net	\$ 70,933,263	\$ 392,252	\$ (463,991)	\$ 70,861,524

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

3. Capital Assets (Continued)

a. Capital asset activity (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Capital Assets not being Depreciated -</i>				
Land	\$ 1,628,896	\$ -	\$ -	\$ 1,628,896
Construction in Process	<u>241,985</u>	<u>2,679,669</u>	<u>(241,985)</u>	<u>2,679,669</u>
Total Capital not being Depreciated	<u>1,870,881</u>	<u>2,679,669</u>	<u>(241,985)</u>	<u>4,308,565</u>
<i>Capital Assets being Depreciated:</i>				
Buildings	16,471,885	-	-	16,471,885
Improvements other than Buildings	122,860,338	2,796,487	(1,806,899)	123,849,926
Machinery and Equipment	<u>3,234,734</u>	<u>40,903</u>	<u>(56,546)</u>	<u>3,219,091</u>
Total Capital Assets being Depreciated	<u>142,566,957</u>	<u>2,837,390</u>	<u>(1,863,445)</u>	<u>143,540,902</u>
<i>Less: Accumulated Depreciation for -</i>				
Buildings	(15,253,372)	(155,016)	-	(15,408,388)
Improvements other than Buildings	(68,806,996)	(4,780,604)	1,806,901	(71,780,699)
Machinery and Equipment	<u>(2,174,430)</u>	<u>(191,224)</u>	<u>56,544</u>	<u>(2,309,110)</u>
Total Accumulated Depreciation	<u>(86,234,798)</u>	<u>(5,126,844)</u>	<u>1,863,445</u>	<u>(89,498,197)</u>
Total Capital Assets being Depreciated, net	<u>56,332,159</u>	<u>(2,289,454)</u>	<u>-</u>	<u>54,042,705</u>
Business-type Activities Capital Assets, net	<u>\$ 58,203,040</u>	<u>\$ 390,215</u>	<u>\$ (241,985)</u>	<u>\$ 58,351,270</u>

Construction in Progress in the amount of \$655,313 was transferred to other capital asset categories for both governmental and business-type activities during the fiscal year ended September 30, 2013.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

3. Capital Assets (Continued)

b. Depreciation

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$	896,651
Public Safety		266,787
Transportation		395,807
Culture and Recreation		1,806,683
Internal Service Funds		1,178,864
Total Depreciation Expense	\$	<u>4,544,792</u>

Business-type Activities:

Solid Waste	\$	37,238
Water/Sewer Utility		3,978,815
Stormwater Utility		1,036,463
Marina		41,334
Golf Course		32,994
Total Depreciation Expense	\$	<u>5,126,844</u>

c. Construction contracts

The City has entered into construction contracts for the construction of its capital assets as follows:

	<u>September 30, 2013</u>	
	<u>Estimated Project Amount</u>	<u>Construction in Progress</u>
Governmental Activities:		
The City contracted for construction of streetscape improvements along Lyndhurst Street.	\$ 50,000	\$ 10,488
The City has contracted for streetscape improvements along South Douglas Ave. between Union and Lexington.	300,000	41,023
The City has contracted for the construction of improvements related to a bicycle trail near Michagan Ave.	270,000	9,105
The City has contracted for the construction of a new Fire Station #2.	<u>2,205,000</u>	<u>701,322</u>
Total Governmental Activities	<u>\$ 2,825,000</u>	<u>\$ 761,938</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

3. Capital Assets (Continued)

c. Construction contracts (continued)

The City has entered into contracts for the construction of Business-type Activities assets as follows:

	September 30, 2013	
	Estimated Project Amount	Construction in Progress
Utility Fund:		
The City contracted for the construction of new water and sewer pipeline along the Dunedin Causeway and Curlew Road.	\$ 1,983,924	\$ 1,399,352
The City has contracted for the replacement of chemical storage tanks at the water plant.	\$ 213,000	\$ 91,586
Marina Fund:		
The City has contracted for construction of new water and sewer pipeline along the Dunedin Causeway and Curlew Road.	\$ 515,734	\$ 207,066
Stormwater Fund:		
The City has contracted for the construction of stormwater system improvements in the President/Lyndhurst Street area.	\$ 3,185,568	\$ 32,826
The City has contracted for the drainage improvements in the San Salvador Drive area.	\$ 1,400,000	\$ 818,429
The City has contracted for the consultant services related to the dredging of Cedar Creek and Lake Sperry.	\$ 1,256,090	\$ 130,410
Total Enterprise Funds	\$ 8,554,316	\$ 2,679,669

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

A. ASSETS (CONTINUED)

4. Interfund transfers

Transfers Out:	Transfers In:						Total
	General	One Cent Sales Tax	CRA	Non Major Governmental	Marina	Internal Service	
General	\$ -	\$ -	\$ -	\$ 446,604	\$ -	\$ 282,017	\$ 728,621
One Cent Sales Tax	-	-	-	459,116	-	-	459,116
CRA	25,000	-	-	15,000	45,000	-	85,000
Non-Major Governmental	125,000	-	6,755	-	-	204,000	335,755
Solid Waste	-	-	-	-	-	46,800	46,800
Internal Service	70,227	28,245	6,755	188,000	-	-	293,227
Total Transfers	\$ 220,227	\$ 28,245	\$ 13,510	\$ 1,108,720	\$ 45,000	\$ 532,817	\$ 1,948,519

Of the \$728,621 transferred out of the General Fund, \$282,017 was for the Fire Station 61 Facilities Capital Fund project, \$366,604 was made for debt service payments, and the remaining balance of \$80,000 was for City computer replacement and network systems. Of the \$459,116 transferred out of the One Cent Sales Tax Fund, \$250,000 was for various stadium repair and maintenance projects, \$44,116 was made for street resurfacing, and \$165,000 was for various Parks and Recreation capital projects. Of the \$85,000 transferred out of the Community Redevelopment Agency (CRA) Fund, \$25,000 was made to subsidize the Dunedin Historical Society, \$15,000 was made for the Pioneer Park sound system project, and \$45,000 was for the Marina day docks project. The \$46,800 transferred out of the Solid Waste Fund was used to cover expenses associated with a solid waste truck conversion. Of the \$293,227 transferred out of the Internal Service Funds, \$6,755 was transferred to the Community Redevelopment Agency (CRA) for the Edgewater Connection project, \$70,227 was made for a fire station exhaust system, \$170,000 was made for the Englebert building roof replacement, \$18,000 was made for athletic field light timers, and the remaining \$28,245 was made for the Patricia Corridor project. A total of \$335,755 was transferred out of non-major governmental funds. These transfers included \$6,755 for the Edgewater Connection project, \$125,000 transferred to the General Fund from the Stadium Fund per agreement, and \$204,000 for the Fire Station 61 project.

A Due to/from was made from the Self-Insurance Fund to the Water/Sewer Utility Fund in the amount of \$713,784. The balance at the end of fiscal year 2013 was \$613,784 and will be repaid in fiscal year 2014. Another Due to/from was made from the Water/Sewer fund to the Facilities fund in the amount of \$1,262,000 and will also be repaid in fiscal year 2014.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT

The following presents the long-term debt during the fiscal year ended September 30, 2013:

1. Capital Leases

On September 29, 2009, the City entered into a lease-purchase agreement to finance \$981,140 in solid waste vehicles in the Solid Waste Fund. This five-year capital lease has a 3.11% interest rate and provides for annual payments of \$215,477. Principal due at September 30, 2013 was \$411,644.

On October 29, 2011, the City entered into a lease-purchase agreement to finance \$994,655 in vehicles, one fire truck and two sanitation vehicles. This five-year capital lease has a 3.43% interest rate and provides for annual payments of \$213,793. On March 20, 2012, the City paid off the fire truck portion of the lease, changing the annual payments to \$106,906. Principal due at September 30, 2013 was \$305,617.

The future minimum lease obligations and the net present value of these minimum lease payments at September 30, 2013 were as follows:

Fiscal Year	Governmental Activities
2014	\$ 322,383
2015	322,383
2016	106,906
Total Minimum Lease Payments	751,672
Less: Amount Representing Interest	34,411
Present Value of Minimum Lease Payments	\$ 717,261

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

2. Revenue Bonds

a. Spring Training Facility Revenue Notes, Series 2001A, 2001B and 2001C, and Series 2012, Series 2012A and Series 2012B

On March 30, 2001, the Commission approved Resolution 01-14, Stadium and Recreation Facilities Financing Amendment, a resolution which amended Resolution 01-10. This resolution authorized the issuance of City revenue notes (spring training facility) series 2001A, series 2001B and series 2001C in the principal amounts of \$6,000,000, \$1,700,000 and \$4,300,000, respectively. These revenue notes were issued to finance the cost of renovation, construction and improvements to the City's existing baseball training facilities. As part of the financing of the Stadium and Recreational Facilities, the City has commitments for funding from Pinellas County (\$3,000,000) and from the State of Florida (\$6,000,000).

On November 9, 2012 the remaining principal of Series 2001B and 2001C were refunded by the Non-Ad Valorem Refunding Revenue Note, (Spring Training Facility), Series 2012A in the amount \$510,000 and the Taxable Non-Ad Valorem Refunding Revenue Note (Spring Training Facility), Series 2012B in the amount of \$1,454,000. Series 2012A was issued to pay principal and interest on Series 2001B, and to pay issuance costs of the new debt. Series 2012B was issued to pay principal and interest on Series 2001C, and to pay issuance costs of the new debt.

Also on November 9, 2012, Series 2001A was refunded by \$3,280,000 City of Dunedin, Florida State Sales Tax Payments Refunding Revenue Note (Spring Training Facility), Series 2012.

The repayment of the notes will be from pledged revenues consisting of State payments of \$500,000 annually, and County payments of \$297,980 annually, and Guaranteed Entitlement Revenues (Non-Ad Valorem).

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

2. Revenue Bonds (continued)

The terms, interest rates and annual payments for the three revenue notes are as follows

	<u>2012</u>	<u>2012A</u>	<u>2012B</u>
Original Amount Issued	\$ 3,280,000	\$ 510,000	\$ 1,454,000
Final Maturity	April 1, 2021	April 1, 2016	April 1, 2016
Interest Rates	1.53%	0.92%	1.40%
Monthly Payments	<u>\$ 34,596</u>	<u>\$ 12,638</u>	<u>\$ 36,328</u>
Amount Outstanding at September 30, 2013	<u>\$ 2,972,549</u>	<u>\$ 387,004</u>	<u>\$ 1,105,405</u>

b. Sales Tax Revenue Bonds, Series 2005:

On July 7, 2005, the Commission adopted Resolution 05-22. The Resolution authorized the issuance of \$10 million of Sales Tax Revenue Bonds, Series 2005. These bonds are intended to pay the cost of the acquisition, construction, equipping and installation of the City Community Center and other capital projects. The City's Sales Tax Revenues are pledged as collateral.

The term, interest rate and payments are as follows:

Original Amount Issued	\$ 10,000,000
Final Maturity	October 1, 2025
Interest Rate	3.0% - 4.125%
Annual Payments:	<u>\$ 730,000</u>
Amount Outstanding at September 30, 2012	<u>\$ 7,295,000</u>

c. Utility Fund - Utility System Bonds:

2012 – Water and Sewer System Refunding Revenue Bonds, \$17,900,000

On June 8, 2012, the City issued \$17,900,000 of Water and Sewer System Refunding Revenue Bonds, Series 2012. These bonds were issued at a premium of \$1,125,672 and refunded the following issues: 1994 Reclaimed Water Credit Facility from SunBank of Tampa Bay - \$317,744; a portion of the 2007 Utility Revenue Bonds, and accrued interest - \$11,789,096; a portion of the 2006 Utility System Refunding Bonds, and accrued interest - \$3,074,241. Additionally, these bonds provided project

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

2. Revenue Bonds (continued)

funds in the amount of \$2,208,080, and included SWAP termination fees and interest in the amount of \$180,420 and costs of issuance in the amount of \$215,637. The City contributed \$120,658 toward issue costs. The remainder of the bonds, refunded in the amount of \$1,361,112, were 2007 Utility Revenue bonds held in the Stormwater Fund.

Scheduled payments of principal and interest on these bonds which mature on October 1, 2018 through October 1, 2027 is guaranteed under a municipal bond insurance policy issued by Assured Guaranty Municipal Corporation. The bonds are secured by a pledge of net revenues of the system. A debt service reserve fund surety policy was purchased in lieu of holding a debt service reserve.

The rate covenant requires net revenues in each fiscal year sufficient to pay one hundred and twenty-five percent of the annual debt service requirement on all outstanding bonds of the fund.

2012 - \$5,876,000 Stormwater System Refunding Revenue Bond

On June 8, 2012, the City issued \$5,876,000 of Stormwater System Refunding Revenue Bonds, Series 2012. The bonds are held by Suntrust and are 20 year bonds at 3.04%. These bonds were issued at a premium of \$84,971 and refunded the following issues: a portion of the 2007 Utility Revenue Bonds, and accrued interest - \$2,610,624; a portion of the 2006 Utility System Refunding Bonds, and accrued interest - \$104,912. Additionally, these bonds provided project funds in the amount of \$3,100,296, and included costs of issuance in the amount of \$159,054 and accrued interest of \$5,580 on the SWAP termination. The City contributed \$19,495 toward issue costs. The bonds are secured by a lien on pledged revenues which are gross revenues of the system.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

2. Revenue Bonds (continued)

d. Debt service requirements

Revenue bond and debt service requirements to maturity are as follows:

Year	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,394,636	\$ 329,680	\$ 900,000	\$ 824,410
2015	1,422,651	301,222	1,187,000	793,027
2016	1,205,501	272,239	1,223,000	756,785
2017-2021	4,507,170	984,514	6,753,000	3,111,717
2022-2026	3,230,000	341,883	8,185,000	1,646,353
2027-2031	-	-	4,763,000	353,863
2032-2034	-	-	765,000	23,424
Total	<u>\$ 11,759,958</u>	<u>\$ 2,229,538</u>	<u>\$ 23,776,000</u>	<u>\$ 7,509,579</u>

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

3. Changes in Long-Term Liabilities

Long-term liability activities for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital Leases	\$ 1,085,706	\$ -	\$ (368,445)	\$ 717,261	\$ 302,085
Bonds and Notes Payable	13,066,481	5,243,990	(6,550,513)	11,759,958	1,395,129
Compensated absences	1,510,530	180,556	(136,569)	1,554,517	81,424
Net OPEB Obligation	219,624	40,078	-	259,702	-
Governmental Activity Long-Term Liabilities	\$ 15,882,341	\$ 5,464,624	\$ (7,055,527)	\$ 14,291,438	\$ 1,778,638
Business-Type Activities:					
Bonds and Notes Payable	23,776,000	-	-	23,776,000	900,000
Deferred Amounts for:					
Unamortized Premiums	1,184,323	-	2,024	1,186,347	-
Loss on Refunding	(16,299)	(54)	-	(16,245)	-
Total Utility System Revenue Bonds	24,944,024	(54)	2,024	24,946,102	900,000
Compensated Absences	1,021,773	140,387	(9,560)	1,152,601	132,460
Net OPEB Obligation	123,767	19,003	-	142,770	-
Business-Type Activity Long-Term Liabilities	\$ 26,089,564	\$ 159,336	\$ (7,536)	\$ 26,241,473	\$ 1,032,460

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

3. Changes in Long-Term Liabilities (continued)

Internal service funds predominately serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$212,211 and \$25,201 of internal service funds' compensated absences and net OPEB obligation, respectively, are included in the above amounts. The General Fund has historically been used to liquidate the net pension obligation or increase the net pension asset. Conversely, the net OPEB obligation has been liquidated by all of the City's funds in the form of health insurance premiums paid. The amount paid by each fund is derived from the number of employees in each fund.

4. Economic Gain or Loss on Refunding or Defeasance

During the year the 2001A, 2001B, and 2001C Stadium Bonds were refunded (See Note IV, B. 2. a.). GASB requires disclosure of the economic gain or loss on refunding or defeasance. The economic gain or loss is the difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate of the new debt and adjusted for additional cash paid.

The economic gain resulting from the issuance of the \$3,280,000 of City of Dunedin, Florida State Sales Tax Payments Refunding Revenue Note (Spring Training Facility), Series 2012, was \$307,986. The economic gain resulting from the issuance of the \$510,000 Non-Ad Valorem Refunding Revenue Note (Spring Training Facility), Series 2012A is \$22,470. The economic loss resulting from the issuance of Taxable Non-Ad Valorem Refunding Revenue Note (Spring Training Facility) Series 2012B in the amount of \$1,454,000 is \$284,844. The total net economic gain of all three refundings was \$45,612.

Economic Gain or Loss		
Refunded Debt	New Debt	Net Gain/(Loss)
Series 2001A	Series 2012	\$ 307,986
Series 2001B	Series 2012A	22,470
Series 2001C	Series 2012B	(284,844)
	Total Savings	\$ 45,612

The economic gain/loss on refunding includes costs of issuance, and adjusts for additional cash that may be received in proceeds as part of the refunding. The future debt service savings compares only the remaining old, and the new, debt service

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE IV – DETAIL NOTES - ALL FUNDS (CONTINUED)

B. LONG-TERM DEBT (CONTINUED)

4. Economic Gain or Loss on Refunding or Defeasance (continued)

requirements on a net present value basis adjusted by the rate of the new bonds. The future debt service savings/(loss) on each bond issue is as follows:

Future Debt Service Savings/(Loss)		
Refunded Debt	New Debt	Net Gain/(Loss)
Series 2001A	Series 2012	\$ 381,120
Series 2001B	Series 2012A	32,550
Series 2001C	Series 2012B	(219,763)
	Total Savings	\$ 193,907

NOTE V – OTHER INFORMATION

A. PENSION

1. Florida Retirement System

Plan Description: All of the City's non uniformed full-time employees (hired before January 1, 1996) participate in the Florida Retirement System (FRS), a non-contributory cost-sharing, multiple-employer public employee retirement system (PERS).

The City of Dunedin contributes to the FRS for the benefit of these employees. This retirement system is administered by the Florida Department of Management Services, Division of Retirement. The FRS issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to: State of Florida, Division of Retirement, Post Office Box 9000, Tallahassee, FL 32315-9000.

FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Annual cost of living adjustments are based on the participant's years of service prior to July 1, 2011. Chapter 121 of the Florida Statutes assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement.

Benefits are computed on the basis of age, average final compensation, and service credit. Regular class employees who retire at or after age 65 with 8 years of credited service (age 62 with 6 years of service if enrolled prior to July 1, 2011) regardless of age are entitled to a retirement benefit payable monthly for life equal to 1.6% to 1.68% (depending on

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

1. Florida Retirement System (continued)

their service class) of their average final compensation for each year of credited service. Final average compensation is the employee's average of the five highest years of salary earned during credited service.

Vested employees with less than 33 years of service (30 years of service if enrolled prior to July 1, 2011), may retire before normal retirement age and receive benefits that are reduced 5% for each year prior to normal retirement age or date. A post-employment health insurance subsidy is also provided to eligible retired employees through the FRS in accordance with Florida Statutes.

For employees who elect participation in the Investment Plan instead of the Pension Plan, vesting occurs after one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

Deferred Retirement Option Program

The FRS Deferred Retirement Option Program (DROP) is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in DROP, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn interest compounded monthly, equivalent to an effective annual rate of 6.5%.

The election to participate in DROP must be made within 12 months of the member's normal retirement date, unless the member is eligible to defer the election. To participate for the maximum DROP period, the member must enter DROP upon first reaching eligibility for normal retirement, or upon reaching an eligible deferral date as described below:

- A member of the Regular Class, Elected Officers' Class, or the Senior Management Service Class who reaches his or her normal retirement date before reaching age 57 may defer DROP entry until age 57 and still participate for 60 months.
- A member of the Elected Officers' Class who reaches his or her normal retirement date during a term of office may defer the DROP election until the next succeeding term in that office and still participate for up to 60 months or until the end of the succeeding term, whichever is less.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

1. Florida Retirement System (continued)

Upon termination, the DROP account is paid out as a lump-sum payment, a rollover, or a combination partial lump-sum payment and rollover, and monthly benefits are paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years.

In most cases, the DROP participant must cease employment after a maximum of 60 months in DROP, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. However, effective July 1, 2002, a DROP participant who holds an elective office covered by the Elected Officers' Class may end DROP participation and postpone compliance with termination requirements and reemployment limitations until he or she no longer holds the elective office (including consecutive terms in the same office). For the period of time between the end of DROP participation and termination, no retirement credit is earned and the member's DROP accumulation accrues no additional monthly benefits (but continues to earn interest).

Funding Policy

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. The FRS requires a 3% contribution for members effective July 1, 2011. Governmental employers are required to make contributions based on statewide rates. The FRS establishes contributions based on the state fiscal year, which begins July 1st. For the period of October 1, 2012 to September 30, 2013, the contribution rates, by job class, were as follows: regular employees 5.18%, senior management 6.30%, and DROP participants 5.44%. The City's contribution includes 1.11% for a post-retirement health insurance subsidy. FRS also provides disability and survivors' benefits. Benefits are established by Florida State Statute. The contribution requirements of employers are established and may be amended by the Division of Retirement. The total contributions to the plan for the years ending September 30, 2013, 2012 and 2011 were \$365,912, \$325,205, and \$500,073, respectively.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

2. Firefighters' Retirement Fund

All of the City's full-time fire employees participate in a separate single-employer, defined benefit pension plan. Membership in the Plan as of September 30, 2013, is summarized as follows:

Group	September 30, 2013
Service retirees and DROP retirees	32
Disability retirees	6
Beneficiaries	5
Terminated plan members entitled to but not yet receiving benefits	3
Active plan members	51
Total	97

Benefits for Firefighters are determined by category and length of service as follows:

Benefits	Vesting
Normal retirement at age 55 with ten years of service, age 52 with 25 years of service; 3.0% of average compensation for first twenty-five years of credited service and 2.0% of average compensation for each year in excess of 37.5 years of service; a supplemental monthly benefit of \$3 per year of service not to exceed \$75; reduced benefits for early retirement.	After ten years of creditable service.

Deferred Retirement Option Plan

Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. Participation in the DROP ceases for a Plan participant after the earlier of 5 years or the attainment of thirty years of service.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

2. Firefighters' Retirement Fund (continued)

The City of Dunedin Municipal Firefighters' Pension Trust Fund issues a publicly available financial report that includes financial statements and required supplementary information for single employer pension plans. That report may be obtained by writing to: Davidson, Jamieson & Cristini, P.I., 1956 Bayshore Boulevard, Dunedin, FL, 34698.

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the Plan's actuary, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable, in accordance with the terms of the plan. Investments are measured at fair value based on quoted market prices for securities held by the Plan. Firefighter contribution rates are established at 5.5% of salary. A state excise tax rebate is also received from the State of Florida under Florida Statutes, Chapter 175 (C.175) and the City in amounts sufficient to fund the Plan at an actuarially determined rate specified by state statute, C. 175. The City recognized these on-behalf payments from the State totaling \$314,996 as revenues and expenditures within the general fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements.

The City's Annual Pension Cost and Net Pension Obligation for the year ended September 30, 2013, is as follows:

Annual required employer contributions	\$ 832,898 *
Interest on net pension obligation	(8,102)
Adjustment to annual required contribution	5,882
Annual pension cost	<u>830,678</u>
Contributions made	<u>832,898 *</u>
Increase (decrease) in net pension obligation	(2,220)
Net pension obligation (asset), beginning of year	(104,540)
Net pension obligation (asset), end of year	<u><u>\$ (106,760)</u></u>

* the Actuarially Determined Contributions and the Contributions Made include both City and State Contributions.

The annual required contribution for current year was determined as part of an actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

2. Firefighters' Retirement Fund (continued)

included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5% to 15% per year (depending on service), which included an inflation component of 3.50%. The assumptions did not include a post-retirement cost of living adjustment.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period is 30 years. The Plan's three-year trend information is summarized as follows:

Three Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
9/30/2013	\$ 830,678 *	100.3%	\$ (106,760)
9/30/2012	823,647	100.3%	(104,540)
9/30/2011	814,652	100.4%	(102,367)

* Beginning with fiscal year ending 09/30/2011, the required and actual contributions reflect City and State contributions. Prior to that date, they were only City contributions.

Information about the funded status of the Plan, as of October 1, 2013, the most recent actuarial valuation date, is presented below:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>(Funded) Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as Percentage of Covered Payroll ((b-a)/c)</u>
2013	\$ 20,808,025	\$ 21,751,959	\$ 943,934	96%	\$ 3,261,637	29%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE V – OTHER INFORMATION (CONTINUED)

A. PENSION (CONTINUED)

3. Defined Contribution Plan

Beginning January 1, 1996, the City began providing retirement benefits for all of its full-time employees not covered under the Florida Retirement System or the Municipal Firefighters' Pension Trust Fund through a non-contributory defined contribution plan administered by Great West under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2013, there were 202 Plan members in the defined

contribution plan. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate after one year of employment. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after six years of continuous service.

City contributions for, and interest forfeited by, employees who leave employment before six years are used to reduce the City's current-period contribution requirement. Plan provisions and contribution requirements are established and may be amended by the City Commission.

The City's total payroll in fiscal year ended September 30, 2013 was \$16,529,781. The City's contributions were calculated using the participants' salary amount of \$8,017,777. The City's contributions to the Plan for the years ended September 30, 2013, 2012, and 2011 were \$767,924, \$765,830 (including \$117,625 in forfeitures used), and \$747,133, respectively.

B. SELF INSURANCE PROGRAM

The City is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City established, in 2009, a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risk of loss. The City utilizes this fund to self-insure its first \$250,000 of property damage per occurrence (except wind, hail, and named storms, which has a deductible of 5% of total location value per building, subject to a minimum of \$500,000), and its first \$350,000 of any employee work injury. The City also self-insures all auto liability and the majority of general liability losses, except for Dunedin recreation summer camp and St. Andrews Links Golf Course, where separate insurance policies are utilized. All claims for general liability, automobile liability, and police professional liability of covered assets are included within the City's Self-Insurance Fund.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE V – OTHER INFORMATION (CONTINUED)

B. SELF INSURANCE PROGRAM (CONTINUED)

The City purchases commercial stop-loss insurance for claims in excess of coverage provided by the Fund and for other risks of loss. Settled claims have not surpassed the premiums for this commercial coverage for the last three fiscal years.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on a current claims cost estimate to pay prior and current-year claims. The Self Insurance Fund maintains \$3 million in reserves per Resolution No. 08-02 adopted on December 6, 2007.

The current claims liability of \$243,284, reported in the Fund at September 30, 2013, is based on information identified prior to the issuance of the financial statements, and indicates that a liability has been incurred as of the date of the financial statements and that the amount of the loss can be reasonably estimated. These liabilities, including IBNR (incurred but not reported claims), are based on the estimated ultimate cost of settling the claims (excluding the effects of inflation and other societal and economic factors), using past experience adjusted for current trends and any other factors that would modify past experiences. Claims liabilities also include specific incremental claim adjustment expenses. Changes in the Fund's claims liability amount during the year ended September 30, 2013, are as follows:

	Workers Compensation	Property and Liability	Total
Claims reserve, September 30, 2011	\$ 94,127	\$ 49,265	\$ 143,392
Plus: Incurred claims and reserve adjustments	95,299	187,267	282,566
Less: Paid claims and reserve adjustments	<u>(137,646)</u>	<u>(139,050)</u>	<u>(276,696)</u>
Claims reserve, September 30, 2012	51,780	97,482	149,262
Plus: Incurred claims and reserve adjustments	291,729	187,043	478,772
Less: Paid claims and reserve adjustments	<u>(210,383)</u>	<u>(174,367)</u>	<u>(384,750)</u>
Claims reserve, September 30, 2013	<u>\$ 133,126</u>	<u>\$ 110,158</u>	<u>\$ 243,284</u>

The City is also self-insured for its Employee Health Plan. The Plan started October 1, 2010. The Plan is accounted for in an Internal Service Fund and is externally administered, for an annually contracted amount that is based on dollar value of claims processed. Contributions for City employees and their dependents are shared by the City and the employee. Administrative fees are paid primarily out of this fund. Stop-loss insurance is maintained for this program at \$100,000 per individual with an annual aggregate maximum benefit of \$1,000,000. No claims have exceeded insurance coverage since the Plans inception.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE V – OTHER INFORMATION (CONTINUED)

B. SELF INSURANCE PROGRAM (CONTINUED)

Changes in the Fund’s claims liability amount during the year ended September 30, 2013, are as follows:

	Health Benefit Plan
Claims reserve, October 1, 2011	\$ 221,000
Plus: Incurred claims and reserve adjustments	1,920,030
Less: Paid claims and reserve adjustments	(1,926,919)
Claims reserve, September 30, 2012	214,111
Plus: Incurred claims and reserve adjustments	2,122,905
Less: Paid claims and reserve adjustments	(2,148,472)
Claims reserve, September 30, 2013	\$ 188,544

C. POST-EMPLOYMENT BENEFITS

GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)”, established accounting standards for postretirement benefits. The standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB obligation.

Plan Description and Funding Policy

Employees who retire from the City of Dunedin, and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the “blended” employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City’s health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 283 active employees and 13 retired, inactive employees were participating in the City’s health program. The City provides no funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE V – OTHER INFORMATION (CONTINUED)

C. POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City's annual OPEB cost for its plan for the current year is as follows:

	Annual OPEB Cost
Annual Required Contribution (ARC)	\$ 117,186
Interest on Net OPEB Obligation	13,736
Adjustment to ARC	(13,647)
Annual OPEB Cost	117,275
Contributions made (pay-as-you-go basis)	58,194
Increase in Net OPEB Obligation	59,081
Net OPEB Obligation, beginning of year	343,391
Net OPEB Obligation, end of year	<u>\$ 402,472</u>

The City's three year trend information, consisting of annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013, 2012, and 2011, are as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 117,275	49.6%	\$ 402,472
9/30/2012	141,739	51.5%	343,391
9/30/2011	148,087	44.8%	274,704

As of October 1, 2012, the most recent actuarial valuation date the actuarial accrued liability (AAL) for benefits was \$1,225,207, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,225,207. The ratio of the UAAL to covered payroll of \$13,063,229 is 9.4%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE V – OTHER INFORMATION (CONTINUED)

C. POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (continued)

The schedule of funding progress, presented as required supplementary information in the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce the short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used for this valuation are as follows:

Valuation Date	10/1/2013 (with results that were projected backwards to September 30, 2012 on a “no loss/no gain” basis)
Actuarial Cost Method	Projected Unit Credit with linear proration to decrement
Amortization Period	30 years
Amortization Method	Level Percent of Pay Over 30 Years Based on an Open Group
Discount Rate	4.00% Unfunded
Inflation Rate	3.00%
CPI	3.00%
Healthcare Cost Trend	9.5% (grading down to 5% in 2022)(Next update in FY2015)
Payroll Growth Rate	3.00% per year

D. CONTINGENCIES AND COMMITMENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. Various other suits and claims, arising in the ordinary course of the City's operations, are pending against the City of Dunedin. These claims consist of personal injury, discrimination, property damage and sales tax. The ultimate effect of such litigation cannot be ascertained at this time, but are not expected to be material.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE V – OTHER INFORMATION (CONTINUED)

E. FEDERAL AND STATE GRANTS

The City participates in a number of federal and state grant programs. These programs are subject to audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does believe, the amount of disallowances, if any, would have a material effect on the financial position of the City.

NOTE VI – FUND BALANCE REPORTING

Governmental fund balances reported on the fund financial statements at September 30, 2013 include the following:

Non Spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to remain intact.

The City’s non spendable fund balance consisted of inventories in the General Fund of \$3,012 and prepaid items in the General Fund of \$8,040.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Below represents the detail comprising the City’s restricted fund balance:

General Fund		Other Governmental Funds	
Perpetual Care	\$ 290,136	County Gas Tax	\$ 652,549
Housing	69,198	Dunedin Stadium	237,374
Public Safety	58,232	Public Library Operation	26,847
Bequests	167,892	Community Redevelopment Agency	481,172
Total	<u>\$ 585,458</u>	Impact Fees	190,304
		One Cent Sales Tax	2,250,899
		Total	<u>\$ 3,839,145</u>

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the City Commission, which is the City’s highest level of decision making authority, with same formal action (resolution) occurring prior to the City’s fiscal year-end. Commitments may be modified or removed only by the City Commissioners taking the same formal action that imposed the constraint originally.

**CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE VI – FUND BALANCE REPORTING (CONTINUED)

The City’s committed fund balance consists of multi-year capital improvement projects that were evaluated and approved for expenditure by the City Commission via formal resolution. Also included in committed fund balance are contributions and donations received to provide recreational activities for Dunedin’s youth. The G. Koutsourias Fund was established via Resolution 93-58.

Below represents the detail comprising the City’s committed fund balance:

Committed	
G. Koutsourias Fund	\$ 3,448
Capital Improvement Projects	233,729
Total	<u><u>\$ 237,177</u></u>

Assigned Fund Balance – Includes spendable fund balance amounts established by an official (either the City Manager or Finance Director) authorized by the City Commission that are intended to be used for specific purposes that are neither considered restricted or committed. Such authorization was established via Resolution 12-09.

Below represents the detail comprising the City’s assigned fund balance:

General Fund	
Dunedin Fine Arts Center	\$ 3,432
Dunedin Historical Society	1,358
Encumbrances	110,626
Total	<u><u>\$ 115,416</u></u>

Unassigned Fund Balance – This is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, except for the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Regarding spending priorities, the City’s formally adopted fund balance policy does not address prioritization among fund balance categories. However, it is assumed that restricted funds will be spent first unless there are legal documents that prohibit doing this, such as grant agreements. For unrestricted fund balance amounts, committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF DUNEDIN, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE VII – SUBSEQUENT EVENTS

On November 22, 2013 the City issued \$1,280,000 Non-Ad Valorem Revenue Note, Series 2013, pursuant to the provisions of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of Dunedin and other applicable provisions of law, and Resolution No. 13-49 adopted by the City Commission of the City of Dunedin. The note is a qualified tax exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986. The note does not constitute a general indebtedness of the City within the meaning of any constitutional, statutory or charter provision of limitation, and it is expressly agreed by the holder of the note that such noteholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the city or taxation of any real or personal property therein or the use of ad valorem tax revenues for the payment of the principal of and interest on the note or the making of any other payments provided for in the resolution.

The purpose of incurring the debt was to partially fund the construction of a new fire station. The total station costs were expected to be \$2.5 million, including design and engineering. The amount borrowed included approximately \$60,000 in issue costs. Principal is paid once a year on October 1, and interest is paid on October 1 and April 1 each year through October 1, 2028. Annual payments are approximately \$106,000. The interest rate is 2.873%.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF DUNEDIN, FLORIDA
SCHEDULES OF FUNDING PROGRESS
SEPTEMBER 30, 2013**

Municipal Firefighters' Pension Trust Fund

As Of	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/01/13	\$20,808,025	\$ 21,751,959	\$ 943,934	95.7%	\$ 3,261,637	28.9%
10/01/12	19,099,764	20,777,619	1,677,855	91.9%	3,110,720	53.9%
10/01/11	18,361,923	20,442,979	2,081,056	89.8%	3,287,502	63.3%
10/01/10	18,006,457	20,313,740	2,307,283	88.6%	3,395,469	68.0%
10/01/09	17,499,363	19,389,838	1,890,475	90.3%	3,331,281	56.7%
10/01/08	16,640,718	17,558,541	917,823	94.8%	2,981,145	30.8%
10/01/07	16,202,634	17,074,051	871,417	94.9%	2,874,332	30.3%
10/01/06	13,980,555	15,274,151	1,293,596	91.5%	2,669,044	48.5%
10/01/05	13,430,948	14,332,863	901,915	93.7%	2,738,385	32.9%
10/01/04	13,356,895	13,507,266	150,371	98.9%	2,575,437	5.8%
10/01/03	13,291,020	12,802,764	(488,256)	103.8%	2,357,502	-20.7%
10/01/02	13,438,085	12,275,088	(1,162,997)	109.5%	1,968,250	-59.1%
10/01/01	14,097,536	11,627,907	(2,469,629)	121.2%	1,784,025	-138.4%

Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/01/12	-	\$ 1,225,207	\$ 1,225,207	0.0%	\$13,063,229	9.4%
10/01/11	-	1,496,786	1,496,786	0.0%	15,277,568	9.8%
10/01/10	-	1,558,587	1,558,587	0.0%	1,483,259	10.5%

**CITY OF DUNEDIN, FLORIDA
SCHEDULES OF EMPLOYERS CONTRIBUTIONS
SEPTEMBER 30, 2013**

The below data is the most current available as of printing of this CAFR.

Municipal Firefighters' Pension Trust Fund

Fiscal Year	Annual Required Contribution	Actual City Contribution	State Contribution *	Percentage Contributed
2013	\$ 825,820	\$ 546,020	\$ 283,050	100%
2012	825,820	546,020	283,050	100%
2011	816,780	744,000	283,050	104%
2010	719,844	617,046	102,798	100%
2009	704,462	601,664	102,798	100%
2008	642,825	540,027	102,798	100%
2007	624,664	521,866	102,798	100%
2006	545,644	442,846	102,798	100%
2005	469,459	366,661	102,798	100%

* "Frozen" pursuant to the provisions of Chapter 175, F.S., as amended

Other Postemployment Benefits

Fiscal Year	City Contribution	Annual Required Contribution	Percentage Contributed
2013	\$ 58,194	\$ 117,186	49.7%
2012	73,052	141,668	51.6%
2011	66,411	148,037	44.9%
2010	55,206	152,872	36.1%

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the receipt, custody, and expenditure of revenues from specific sources for which the City is required legally to limit expenditures to particular uses and to account separately for these resources.

Government Grants

To account for Federal, State and County grants, the use of which is restricted for certain projects.

Stadium

To account for the receipt and disbursement of revenues from various recreational activities as mandated upon the issuance of Capital Improvement Recreation Certificates.

Impact Fees

To account for the receipt and disbursement of fees levied to pay for future parkland, fire department capital outlays, law enforcement capital outlays, and transportation capital outlays. This fund is also used to collect for and disburse to the County its share of transportation impact fees.

Library Co-Op

To account for the receipt and disbursement of monies associated with the Library Co-Op.

G. Koutsourias Youth

To account for the receipt and disbursement of donated monies for recreation capital improvement and maintenance programs at facilities owned and operated by the City. Any improvements funded in this manner will become the property of the City.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service

To accumulate monies for the payment of annual debt service applicable to the resurfacing of Palm Boulevard.

Capital Projects Funds

Capital Project Funds are used to account for resources to be used for acquisition or construction of major capital improvement projects.

County Gas Tax

To account for the costs of road and street improvements funded by proceeds of the Pinellas County gas tax.

Parks & Recreation Capital Improvement

To account for the renewal and replacement of recreation and parks equipment.

Capital Improvement

To account for the acquisition of significant equipment items. These acquisitions are funded primarily by transfers from the General Fund. Nominal equipment acquisitions are accounted for in departmental budgets.

City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

	Special Revenue					
	Government Grants	Stadium	Impact Fees	Library Co-Op	G. Koutsourias Youth	Special Revenue Total
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ 239,533	\$ 201,681	\$ 38,112	\$ 3,444	\$ 482,770
Accounts Receivable	-	1,755	255	48	4	2,062
Due from other governments	22,022	-	-	-	-	22,022
Deposits	-	500	-	-	-	500
Total assets	<u>\$ 22,022</u>	<u>\$ 241,788</u>	<u>\$ 201,936</u>	<u>\$ 38,160</u>	<u>\$ 3,448</u>	<u>\$ 507,354</u>
<u>LIABILITIES</u>						
Accounts payable	\$ -	\$ 3,914	\$ -	\$ -	\$ -	\$ 3,914
Accrued salaries payable	-	-	-	11,313	-	11,313
Deposits payable	-	500	-	-	-	500
Due to other governments	-	-	11,632	-	-	11,632
Total liabilities	<u>-</u>	<u>4,414</u>	<u>11,632</u>	<u>11,313</u>	<u>-</u>	<u>27,359</u>
<u>FUND BALANCES</u>						
Restricted Balance	-	237,374	190,304	26,847	-	454,525
Committed	-	-	-	-	3,448	3,448
Unassigned	22,022	-	-	-	-	22,022
Total fund balances	<u>22,022</u>	<u>237,374</u>	<u>190,304</u>	<u>26,847</u>	<u>3,448</u>	<u>479,995</u>
Total liabilities and fund balances	<u>\$ 22,022</u>	<u>\$ 241,788</u>	<u>\$ 201,936</u>	<u>\$ 38,160</u>	<u>\$ 3,448</u>	<u>\$ 507,354</u>

City of Dunedin, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

	<u>Capital Project</u>					<u>Grand Total Nonmajor Governmental Funds</u>
	<u>Debt Service</u>	<u>County Gas Tax</u>	<u>Parks & Recreation Capital Improvement</u>	<u>Capital Improvement</u>	<u>Capital Projects Total</u>	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 1,133	\$ 669,355	\$ 98,963	\$ 164,411	\$ 932,729	\$ 1,416,632
Accounts receivable	-	842	623	207	1,672	3,734
Due from other governments	-	82,487	-	-	82,487	104,509
Deposits	-	-	-	-	-	500
Total assets	<u>1,133</u>	<u>752,684</u>	<u>99,586</u>	<u>164,618</u>	<u>1,016,888</u>	<u>1,525,375</u>
<u>LIABILITIES</u>						
Accounts payable	\$ -	\$ 73,624	\$ 23,388	\$ -	\$ 97,012	\$ 100,926
Contracts payable	-	26,511	7,087	-	33,598	33,598
Accrued salaries payable	-	-	-	-	-	11,313
Deposits payable	-	-	-	-	-	500
Due to other governments	-	-	-	-	-	11,632
Total liabilities	<u>-</u>	<u>100,135</u>	<u>30,475</u>	<u>-</u>	<u>130,610</u>	<u>157,969</u>
<u>FUND BALANCES</u>						
Restricted Balance	-	652,549	-	-	652,549	1,107,074
Committed	-	-	69,111	164,618	233,729	237,177
Unassigned	1,133	-	-	-	-	23,155
Total fund balances	<u>1,133</u>	<u>652,549</u>	<u>69,111</u>	<u>164,618</u>	<u>886,278</u>	<u>1,367,406</u>
Total liabilities and fund balances	<u>\$ 1,133</u>	<u>\$ 752,684</u>	<u>\$ 99,586</u>	<u>\$ 164,618</u>	<u>\$ 1,016,888</u>	<u>\$ 1,525,375</u>

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2013

	<u>Special Revenue</u>					
	Government Grants	Stadium	Impact Fees	Library Co-Op	G. Koutsourias Youth	Special Revenue Total
REVENUES						
Intergovernmental revenues	\$ -	\$ 797,984	\$ -	\$ 339,962	\$ -	\$ 1,137,946
Charges for services	-	322,452	-	-	-	322,452
Impact fees	-	-	16,557	-	-	16,557
Investment earnings (loss)	-	632	539	104	-	1,275
Contributions and donations	-	-	-	-	4,251	4,251
Other revenue / grants	-	39,657	-	-	-	39,657
Total revenues	-	<u>1,160,725</u>	<u>17,096</u>	<u>340,066</u>	<u>4,251</u>	<u>1,522,138</u>
EXPENDITURES						
Current:						
Culture and recreation	-	412,109	-	328,802	10,029	750,940
Capital outlay:						
Transportation	-	-	13,946	-	-	13,946
Culture and recreation	-	170,815	-	-	-	170,815
Debt service:						
Principal	-	865,979	-	-	-	865,979
Interest	-	107,764	-	-	-	107,764
Debt - cost of issuance	-	144,437	-	-	-	144,437
Total expenditures	-	<u>1,701,104</u>	<u>13,946</u>	<u>328,802</u>	<u>10,029</u>	<u>2,053,881</u>
Excess of revenues over (under) expenditures	-	<u>(540,379)</u>	<u>3,150</u>	<u>11,264</u>	<u>(5,778)</u>	<u>(531,743)</u>
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	5,244,000	-	-	-	5,244,000
Transfers in	-	786,604	-	-	-	786,604
Transfers out	-	(125,000)	(204,000)	-	-	(329,000)
Total other financing sources (uses)	-	<u>765,742</u>	<u>(204,000)</u>	<u>-</u>	<u>-</u>	<u>561,742</u>
Net change in fund balances	-	225,363	(200,850)	11,264	(5,778)	29,999
Fund balances - beginning	22,022	12,011	391,154	15,583	9,226	449,996
Fund balances - ending	<u>\$ 22,022</u>	<u>\$ 237,374</u>	<u>\$ 190,304</u>	<u>\$ 26,847</u>	<u>\$ 3,448</u>	<u>\$ 479,995</u>

City of Dunedin, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2013

	Debt Service		Capital Project			Grand Total Nonmajor Governmental Funds
	Debt Service	County Gas Tax	Parks & Recreation Capital Improvement	Capital Improvement	Capital Projects Total	
REVENUES						
Intergovernmental revenues	\$ -	\$ 486,874	\$ 105,041	\$ -	\$ 591,915	\$ 1,729,861
Charges for services	-	-	-	-	-	322,452
Impact fees	-	-	-	-	-	16,557
Investment earnings / (loss)	-	1,777	262	437	2,476	3,751
Rents	-	-	6,000	-	6,000	6,000
Contributions and donations	-	-	237,000	-	237,000	241,251
Other revenue	-	-	-	-	-	39,657
Total revenues	-	488,651	348,303	437	837,391	2,359,529
EXPENDITURES						
Current:						
General government	-	-	-	33,933	33,933	33,933
Transportation	-	112,208	-	-	112,208	112,208
Culture and recreation	-	-	38,286	-	38,286	789,226
Capital outlay:						
General government	-	-	-	223,761	223,761	223,761
Transportation	-	669,209	-	-	669,209	683,155
Culture and recreation	-	-	573,921	-	573,921	744,736
Debt service:						
Principal	109,671	-	-	-	-	975,650
Interest	1,908	-	-	-	-	109,672
Debt - cost of issuance	-	-	-	-	-	144,437
Total expenditures	111,579	781,417	612,207	257,694	1,651,318	3,816,778
Revenues over (under) expenditures	(111,579)	(292,766)	(263,904)	(257,257)	(813,927)	(1,457,249)
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	-	-	-	-	5,244,000
Transfers in	-	44,116	198,000	80,000	322,116	1,108,720
Transfers out	-	-	(6,755)	-	(6,755)	(335,755)
Total other financing sources (uses)	-	44,116	191,245	80,000	315,361	877,103
Net change in fund balances	(111,579)	(248,650)	(72,659)	(177,257)	(498,566)	(580,146)
Fund balances - beginning	112,712	901,199	141,770	341,875	1,384,844	1,947,552
Fund balances - ending	\$ 1,133	\$ 652,549	\$ 69,111	\$ 164,618	\$ 886,278	\$ 1,367,406

**City of Dunedin, Florida
Government Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				-
Grants - local	\$ -	\$ 30,000	\$ -	\$ (30,000)
Total revenues	-	30,000	-	(30,000)
<u>EXPENDITURES</u>				
Total expenditures	-	-	-	-
Net change in fund balances	-	30,000	-	(30,000)
Fund balances - beginning	-	2,992	22,022	19,030
Fund balances - ending	\$ -	\$ 32,992	\$ 22,022	\$ (10,970)

City of Dunedin, Florida
Stadium Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>REVENUES</u>				
Intergovernmental revenues:	\$ 797,980	\$ 797,980	\$ 797,984	\$ 4
Charges for Services Blue Jay ticket sales	240,000	240,000	289,837	49,837
Parking/concessions	28,215	28,215	32,615	4,400
Investment earnings	-	-	632	632
Other miscellaneous revenue	20,000	20,000	39,657	19,657
Total revenues	<u>1,086,195</u>	<u>1,086,195</u>	<u>1,160,725</u>	<u>74,530</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	502,611	515,111	412,109	103,002
Capital outlay:				
Culture and recreation	-	170,000	170,815	(815)
Debt service:				
Principal	822,526	822,526	865,979	(43,453)
Interest	252,662	113,102	107,764	5,338
Debt cost of issuance	-	139,867	144,437	(4,570)
Total expenditures	<u>1,577,799</u>	<u>1,760,606</u>	<u>1,701,104</u>	<u>59,502</u>
Revenues over (under) expenditures	(491,604)	(674,411)	(540,379)	134,032
<u>OTHER FINANCING SOURCES/USES</u>				
Issuance of debt	-	5,244,000	5,244,000	-
Payment to refunded bond escrow	-	-	(5,139,862)	(5,139,862)
Transfers in	616,604	794,104	786,604	(7,500)
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing sources	<u>491,604</u>	<u>5,913,104</u>	<u>765,742</u>	<u>(5,147,362)</u>
Net change in fund balances	-	5,238,693	225,363	(5,013,330)
Fund balances - beginning	<u>28,009</u>	<u>262,941</u>	<u>12,011</u>	<u>(250,930)</u>
Fund balances - ending	<u><u>\$ 28,009</u></u>	<u><u>\$ 5,501,634</u></u>	<u><u>\$ 237,374</u></u>	<u><u>\$ (5,264,260)</u></u>

City of Dunedin, Florida
Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Impact Fees	\$ 5,000	\$ 5,000	\$ 16,557	\$ 11,557
Investment earnings	-	-	539	539
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>17,096</u>	<u>12,096</u>
<u>EXPENDITURES</u>				
Capital outlay:				
Transportation	<u>43,016</u>	<u>93,016</u>	<u>13,946</u>	<u>79,070</u>
Total expenditures	<u>43,016</u>	<u>93,016</u>	<u>13,946</u>	<u>79,070</u>
Revenues over (under) expenditures	(38,016)	(88,016)	3,150	91,166
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	(204,000)	(204,000)	-
Total other financing sources	<u>-</u>	<u>(204,000)</u>	<u>(204,000)</u>	<u>-</u>
Net change in fund balances	(38,016)	(292,016)	(200,850)	91,166
Fund balances - beginning	<u>934,888</u>	<u>528,845</u>	<u>391,154</u>	<u>(137,691)</u>
Fund balances - ending	<u><u>\$ 896,872</u></u>	<u><u>\$ 236,829</u></u>	<u><u>\$ 190,304</u></u>	<u><u>\$ (46,525)</u></u>

City of Dunedin, Florida
Dunedin Library Co-Op Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues	\$ -	\$ 338,023	\$ 339,962	\$ 1,939
Investment earnings	-	-	104	104
Total revenues	<u>-</u>	<u>338,023</u>	<u>340,066</u>	<u>2,043</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	-	338,023	328,802	9,221
Total expenditures	<u>-</u>	<u>338,023</u>	<u>328,802</u>	<u>9,221</u>
Net change in fund balances	-	-	11,264	11,264
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>15,583</u>	<u>15,583</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,847</u>	<u>\$ 26,847</u>

City of Dunedin, Florida
G. Koutsourais Youth Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Contributions and donations	\$ -	\$ -	\$ 4,251	\$ 4,251
Total revenues	<u>-</u>	<u>-</u>	<u>4,251</u>	<u>4,251</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	-	10,030	10,029	1
Total expenditures	<u>-</u>	<u>10,030</u>	<u>10,029</u>	<u>1</u>
Net change in fund balances	-	(10,030)	(5,778)	4,252
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>9,226</u>	<u>9,226</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (10,030)</u>	<u>\$ 3,448</u>	<u>\$ 13,478</u>

City of Dunedin, Florida
Capital Improvement Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Other miscellaneous revenue	\$ -	\$ -	\$ -	-
<u>EXPENDITURES</u>				
Debt service:				
Principal	105,994	105,994	109,671	(3,677)
Interest	5,662	5,662	1,908	3,754
Total expenditures	<u>111,656</u>	<u>111,656</u>	<u>111,579</u>	<u>77</u>
Revenues over (under) expenditures	(111,656)	(111,656)	(111,579)	77
<u>OTHER FINANCING SOURCES</u>				
Transfers in	111,656	-	-	-
Total other financing sources	<u>111,656</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(111,656)	(111,579)	77
Fund balances - beginning	<u>-</u>	<u>105,994</u>	<u>112,712</u>	<u>6,718</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ (5,662)</u></u>	<u><u>\$ 1,133</u></u>	<u><u>\$ 6,795</u></u>

City of Dunedin, Florida
County Gas Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Local option gas tax	\$ 474,862	\$ 474,862	\$ 486,874	\$ 12,012
Investment earnings	-	-	1,777	1,777
Total revenues	<u>474,862</u>	<u>474,862</u>	<u>488,651</u>	<u>13,789</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	18,676	36,676	112,208	(75,532)
Capital outlay:				
Transportation	659,333	1,277,664	669,209	608,455
Total expenditures	<u>678,009</u>	<u>1,314,340</u>	<u>781,417</u>	<u>532,923</u>
Revenues over (under) expenditures	(203,147)	(839,478)	(292,766)	546,712
<u>OTHER FINANCING SOURCES</u>				
Transfers in	44,116	87,116	44,116	(43,000)
Total other financing sources	<u>44,116</u>	<u>87,116</u>	<u>44,116</u>	<u>(43,000)</u>
Net change in fund balances	(159,031)	(752,362)	(248,650)	503,712
Fund balances - beginning	<u>288,756</u>	<u>288,757</u>	<u>901,199</u>	<u>612,442</u>
Fund balances - ending	<u><u>\$ 129,725</u></u>	<u><u>\$ (463,605)</u></u>	<u><u>\$ 652,549</u></u>	<u><u>\$ 1,116,154</u></u>

City of Dunedin, Florida
Parks & Recreation Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental revenues:				
Grants - state	\$ -	\$ 212,000	\$ 105,041	\$ (106,959)
Investment earnings	-	-	262	262
Contributions and donations	-	210,000	237,000	27,000
Other miscellaneous revenue	33,000	33,000	-	(33,000)
Other revenue / grants:				
Rent	-	-	6,000	6,000
Total revenues	<u>33,000</u>	<u>455,000</u>	<u>348,303</u>	<u>(106,697)</u>
<u>EXPENDITURES</u>				
Current:				
Culture and recreation	-	5,449	38,286	(32,837)
Capital outlay:				
Culture and recreation	<u>198,000</u>	<u>666,006</u>	<u>573,921</u>	<u>92,085</u>
Total expenditures	<u>198,000</u>	<u>671,455</u>	<u>612,207</u>	<u>59,248</u>
Revenues over (under) expenditures	(165,000)	(216,455)	(263,904)	(47,449)
<u>OTHER FINANCING SOURCES</u>				
Transfers in	165,000	198,000	198,000	-
Transfers out	-	(6,755)	(6,755)	-
Total other financing sources	<u>165,000</u>	<u>191,245</u>	<u>191,245</u>	<u>-</u>
Net change in fund balances	-	(25,210)	(72,659)	(47,449)
Fund balances - beginning	<u>-</u>	<u>(22,875)</u>	<u>141,770</u>	<u>164,645</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (48,085)</u>	<u>\$ 69,111</u>	<u>\$ 117,196</u>

City of Dunedin, Florida
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Fiscal Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Investment earnings	\$ -	\$ -	\$ 437	\$ 437
Other miscellaneous revenue	200,000	-	-	-
Total revenues	<u>200,000</u>	<u>-</u>	<u>437</u>	<u>437</u>
<u>EXPENDITURES</u>				
Current:				
General Government	11,000	33,414	33,933	(519)
Capital outlay:				
General Government	269,000	389,565	223,761	165,804
Total expenditures	<u>280,000</u>	<u>422,979</u>	<u>257,694</u>	<u>165,285</u>
Revenues over (under) expenditures	(80,000)	(422,979)	(257,257)	165,722
<u>OTHER FINANCING SOURCES</u>				
Transfers in	80,000	80,000	80,000	-
Total other financing sources	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balances	-	(342,979)	(177,257)	165,722
Fund balances - beginning	<u>-</u>	<u>(108,967)</u>	<u>341,875</u>	<u>450,842</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ (451,946)</u></u>	<u><u>\$ 164,618</u></u>	<u><u>\$ 616,564</u></u>



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Internal Service Funds

Internal Service Funds are utilized to finance and account for services and commodities furnished by a designated department to other departments within the City.

Vehicle Maintenance

This fund is utilized to account for the cost of automotive and other motorized equipment of the City. The acquisition cost of new or upgraded equipment is financed through user departments, and the asset value is simultaneously contributed to the Vehicle Maintenance Fund. The cost of replacement of existing equipment is financed through funded depreciation charges.

Building Maintenance

This fund is utilized to account for the cost of providing custodial and building maintenance services to the various departments. The departments are charged for these services based upon the total square footage of each area. Capital assets constructed by the Building Maintenance Department are charged to the various departments upon the completion of the project.

Self – Insurance

To account for the City's limited self-insurance program, wherein all funds are assessed charges based on damage claims accrued and on allocated proration of insurance premiums, and to maintain proper excess insurance coverage to protect the City.

City of Dunedin
Internal Service Funds
Combining Statement of Net Position
September 30, 2013

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,872,728	\$ 2,443,202	\$ 4,175,421	\$ 9,491,351
Accounts receivable	3,612	118	9,376	13,106
Due from other funds	-	-	613,784	613,784
Inventories	123,190	-	-	123,190
Prepaid items	82	-	440	522
Interest receivable	-	3,330	5,336	8,666
Deposits	-	-	92,771	92,771
Total current assets	<u>2,999,612</u>	<u>2,446,650</u>	<u>4,897,128</u>	<u>10,343,390</u>
Noncurrent assets:				
Capital assets:				
Buildings	464,718	3,432,760	-	3,897,478
Improvements other than buildings	4,744	-	-	4,744
Machinery and equipment	12,695,718	184,671	48,051	12,928,440
Construction-in-progress	-	701,323	-	701,323
Less: accumulated depreciation	<u>(8,799,801)</u>	<u>(1,391,455)</u>	<u>(10,694)</u>	<u>(10,201,950)</u>
Total capital assets, net of accumulated depreciation	<u>4,365,379</u>	<u>2,927,299</u>	<u>37,357</u>	<u>7,330,035</u>
Total assets	<u>7,364,991</u>	<u>5,373,949</u>	<u>4,934,485</u>	<u>17,673,425</u>
LIABILITIES				
Current liabilities:				
Accounts payable	40,541	457,337	178,272	676,150
Accrued salaries payable	22,669	20,504	9,118	52,291
Compensated absences	-	15,280	-	15,280
Contracts payable	-	67,680	-	67,680
Accrued expenses	12,315	-	4,210	16,525
Accrued interest payable	18,607	-	-	18,607
Capital leases payable - current	302,085	-	-	302,085
Claims liabilities	-	-	431,828	431,828
Due to other funds	-	1,262,000	-	1,262,000
Total current liabilities	<u>396,217</u>	<u>1,822,801</u>	<u>623,428</u>	<u>2,842,446</u>
Capital leases payable	415,176	-	-	415,176
Compensated absences	136,225	53,820	22,166	212,211
OPEB liability	10,839	11,467	2,895	25,201
Total noncurrent liabilities	<u>562,240</u>	<u>65,287</u>	<u>25,061</u>	<u>652,588</u>
Total liabilities	<u>958,457</u>	<u>1,888,088</u>	<u>648,489</u>	<u>3,495,034</u>
NET POSITION				
Net Investment in capital assets	3,648,118	2,927,299	37,357	6,612,774
Unrestricted	2,758,416	558,562	4,248,639	7,565,617
Total net position	<u>\$ 6,406,534</u>	<u>\$ 3,485,861</u>	<u>\$ 4,285,996</u>	<u>\$ 14,178,391</u>

City of Dunedin
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended September 30, 2013

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 3,172,381	\$ 1,187,199	\$ 5,263,062	\$ 9,622,642
Miscellaneous revenue	1,895	26,845	89,755	118,495
Total operating revenues	<u>3,174,276</u>	<u>1,214,044</u>	<u>5,352,817</u>	<u>9,741,137</u>
Operating expenses:				
Personal services	603,081	558,829	238,148	1,400,058
Supplies and services	1,203,394	735,742	4,813,619	6,752,755
Depreciation	947,039	231,825	5,433	1,184,297
Total operating expenses	<u>2,753,514</u>	<u>1,526,396</u>	<u>5,057,200</u>	<u>9,337,110</u>
Operating income / (loss)	<u>420,762</u>	<u>(312,352)</u>	<u>295,617</u>	<u>404,027</u>
Nonoperating revenues (expenses):				
Investment earnings / (loss)	7,615	7,026	11,250	25,891
Interest/amortization expense	(12,675)	-	-	(12,675)
Gain / (Loss) on sale of capital assets	13,706	(1,974)	-	11,732
Total nonoperating revenues (expenses)	<u>8,646</u>	<u>5,052</u>	<u>11,250</u>	<u>24,948</u>
Income before contributions and transfers	429,408	(307,300)	306,867	428,975
Transfers in	77,388	486,017	-	563,405
Transfers out	<u>-</u>	<u>(35,000)</u>	<u>(288,815)</u>	<u>(323,815)</u>
Change in net position	506,796	143,717	18,052	668,565
Total net position - beginning	<u>5,899,738</u>	<u>3,342,144</u>	<u>4,267,944</u>	<u>13,509,826</u>
Net position ending	<u>\$ 6,406,534</u>	<u>\$ 3,485,861</u>	<u>\$ 4,285,996</u>	<u>\$ 14,178,391</u>

City of Dunedin
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2013

	<u>Vehicle Maintenance</u>	<u>Building Maintenance</u>	<u>Self Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,172,381	\$ 1,187,131	\$ 5,266,309	\$ 9,625,821
Payments to suppliers	(1,204,657)	(259,733)	(4,691,977)	(6,156,367)
Payments to employees	(586,827)	(617,040)	(214,516)	(1,418,383)
Other operating revenue	1,895	26,845	89,755	118,495
Net cash provided by (used in) operating activities	<u>1,382,792</u>	<u>337,203</u>	<u>449,571</u>	<u>2,169,566</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	77,388	486,017	-	563,405
Transfers out	-	(35,000)	(288,815)	(323,815)
Due from other funds	-	-	50,000	50,000
Due to other funds	-	1,262,000	-	1,262,000
Net cash provided by (used in) noncapital financing activities	<u>77,388</u>	<u>1,713,017</u>	<u>(238,815)</u>	<u>1,551,590</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	35,366	-	-	35,366
Purchase of capital assets	(812,089)	(931,882)	-	(1,743,971)
Principal paid on capital debt	(368,445)	-	-	(368,445)
Interest paid on capital debt	(31,174)	-	-	(31,174)
Net cash provided by (used in) capital and related financing activities	<u>(1,176,342)</u>	<u>(931,882)</u>	<u>-</u>	<u>(2,108,224)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings received	4,003	3,696	5,912	13,611
Net cash provided by (used in) investing activities	<u>4,003</u>	<u>3,696</u>	<u>5,912</u>	<u>13,611</u>
Net increase in cash and cash equivalents	287,841	1,122,034	216,668	1,626,543
Cash and cash equivalents - October 1	2,584,887	1,321,168	3,958,753	7,864,808
Cash and cash equivalents - September 30	<u>\$ 2,872,728</u>	<u>\$ 2,443,202</u>	<u>\$ 4,175,421</u>	<u>\$ 9,491,351</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income / (loss)	\$ 420,762	\$ (312,352)	\$ 295,617	\$ 404,027
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	947,039	231,825	5,433	1,184,297
(Increase) decrease in				
Accounts receivable	-	(68)	3,247	3,179
Inventories	(22,497)	-	-	(22,497)
Prepaid items	(82)	-	31,588	31,506
Deposits	-	-	7,229	7,229
Increase (decrease) in				
Accounts payable	21,316	516,583	(1,128)	536,771
Accrued expenses	-	(40,574)	(6,072)	(46,646)
Accrued wages payable	2,609	1,312	1,541	5,462
Claims liabilities	-	-	90,025	90,025
Compensated absences / OPEB	13,645	(59,523)	22,091	(23,787)
Total adjustments	<u>962,030</u>	<u>649,555</u>	<u>153,954</u>	<u>1,765,539</u>
Net cash provided by operating activities	<u>\$ 1,382,792</u>	<u>\$ 337,203</u>	<u>\$ 449,571</u>	<u>\$ 2,169,566</u>

Statistical Section

This part of the City of Dunedin’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends	119
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time	
Revenue Capacity	127
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax	
Debt Capacity	133
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future	
Demographic and Economic Information	141
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place	
Operating Information	145
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual Financial reports for the relevant year.



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Financial Trends

City of Dunedin, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	\$ 58,239,411	\$ 56,781,075	\$ 57,690,458	\$ 52,017,214	\$ 49,216,594	\$ 41,859,854	\$ 40,891,063	\$ 29,656,802	\$ 19,580,030	\$ 25,673,683
Restricted	4,424,603	5,892,014	3,309,277	919,351	666,759	1,492,721	1,580,164	1,452,082	11,747,673	2,263,755
Unrestricted	6,502,111	6,459,724	10,834,009	14,804,273	18,340,972	14,346,049	14,337,285	21,095,377	15,959,974	15,434,163
Total governmental activities net position	<u>\$ 69,166,125</u>	<u>\$ 69,132,812</u>	<u>\$ 71,833,744</u>	<u>\$ 67,740,838</u>	<u>\$ 68,224,325</u>	<u>\$ 57,698,624</u>	<u>\$ 56,808,502</u>	<u>\$ 52,204,261</u>	<u>\$ 47,287,677</u>	<u>\$ 43,371,601</u>
Business type activities:										
Net investment in capital assets	\$ 33,405,168	\$ 33,259,017	\$ 35,573,590	\$ 33,375,182	\$ 32,324,908	\$ 31,123,487	\$ 30,462,861	\$ 44,330,427	\$ 46,477,869	\$ 45,351,725
Restricted	1,146,633	1,015,491	8,719,804	9,734,525	12,119,646	11,491,080	13,757,080	4,677,025	4,443,428	4,897,856
Unrestricted	22,845,536	23,293,206	10,028,817	10,567,261	6,829,020	10,189,363	8,530,258	5,042,180	4,144,475	6,374,375
Total business type activities net position	<u>\$ 57,397,337</u>	<u>\$ 57,567,714</u>	<u>\$ 54,322,211</u>	<u>\$ 53,676,968</u>	<u>\$ 51,273,574</u>	<u>\$ 52,803,930</u>	<u>\$ 52,750,199</u>	<u>\$ 54,049,632</u>	<u>\$ 55,065,772</u>	<u>\$ 56,623,956</u>
Primary government:										
Net investment in capital assets	\$ 91,644,579	\$ 90,040,091	\$ 93,264,048	\$ 85,392,396	\$ 81,541,502	\$ 72,983,341	\$ 71,353,914	\$ 73,987,229	\$ 66,057,899	\$ 71,025,408
Restricted	5,571,236	6,907,505	12,029,081	10,653,876	12,786,405	12,983,801	15,337,244	6,129,107	16,191,101	7,161,611
Unrestricted	29,347,647	29,752,930	20,862,826	25,371,534	25,169,992	24,535,412	22,867,543	26,137,557	20,104,449	21,808,538
Total primary government net position	<u>\$ 126,563,462</u>	<u>\$ 126,700,526</u>	<u>\$ 126,155,955</u>	<u>\$ 121,417,806</u>	<u>\$ 119,497,899</u>	<u>\$ 110,502,554</u>	<u>\$ 109,558,701</u>	<u>\$ 106,253,893</u>	<u>\$ 102,353,449</u>	<u>\$ 99,995,557</u>

City of Duneedin, Florida
Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental activities:										
General government	\$ 3,359,312	\$ 2,428,449	\$ 2,169,100	\$ 2,499,304	\$ 3,681,315	\$ 2,578,302	\$ 2,964,692	\$ 2,489,508	\$ 2,177,358	\$ 1,616,868
Public safety	10,361,120	11,296,238	11,514,839	11,691,457	12,653,234	12,240,372	12,120,351	11,453,193	11,287,223	10,279,511
Physical environment			314,305	-	-	825	869	650	834	23,346
Transportation	1,999,786	1,897,883	2,248,772	2,226,040	1,839,363	2,610,475	(662,178)	2,125,973	2,258,259	1,337,617
Economic development	445,629	508,474	384,451	467,325	507,328	323,734	87,537	58,935	88,207	91,417
Culture and recreation	10,111,776	9,673,676	9,599,618	9,772,233	9,931,370	10,727,942	10,829,741	9,009,384	9,559,058	8,071,251
Interest on long term debt	528,625	642,358	920,611	772,810	834,618	866,910	966,878	1,085,875	837,648	904,118
Total governmental activities expenses	26,806,247	26,447,077	27,151,696	27,429,169	29,447,228	29,348,560	26,307,890	26,223,518	26,208,587	22,324,118
Business type activities:										
Solid waste	5,335,131	4,700,689	4,957,784	4,577,524	4,571,427	4,832,211	4,947,866	4,619,519	5,156,394	4,541,315
Water / sewer utility	15,508,529	16,647,088	17,122,361	16,661,525	18,511,182	17,899,287	17,244,324	14,490,880	14,197,584	14,278,420
Reclaimed water			-	-	(25,237)	(5,549)	(6,549)	1,622,107	1,478,474	1,453,574
Stormwater utility	2,725,954	2,150,715	1,892,980	1,792,841	1,615,538	1,729,016	1,365,579	1,196,132	1,207,654	1,173,210
Marina	292,000	458,798	491,495	484,848	478,476	469,475	471,605	432,949	353,576	252,462
Golf course	30,206	35,254	71,010	378,065	603,161	613,178	699,414	682,164	595,229	470,054
Total business type activities expenses	23,891,820	23,992,544	24,535,640	23,894,803	25,779,784	25,517,930	24,723,239	23,043,751	22,988,910	22,169,095
Total primary government expenses	\$ 50,698,067	\$ 50,439,621	\$ 51,687,336	\$ 51,323,972	\$ 55,227,012	\$ 54,866,490	\$ 51,031,129	\$ 49,267,269	\$ 49,197,497	\$ 44,493,153
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 486,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	3,394,107	3,358,410	3,008,565	2,899,019	2,518,229	2,634,437	2,526,975	2,837,017	2,769,789	2,515,123
Public safety	89,624	129,946	110,152	126,548	95,097	89,631	104,354	130,241	149,967	73,394
Economic development	2,215,859	2,190,448	2,138,344	2,543,144	2,739,619	3,037,989	2,575,098	2,546,850	1,811,469	1,652,917
Culture and recreation	381,213	45,361	137,880	228,748	415,025	190,371	407,785	543,267	588,149	465,311
Operating grants and contributions	1,606,456	1,837,921	1,656,723	1,941,343	10,311,831	1,426,814	951,232	1,375,691	3,664,873	2,417,088
Capital grants and contributions	8,173,414	7,562,086	7,051,664	7,738,802	16,079,801	7,379,242	6,565,444	7,433,066	8,984,247	7,123,833
Total governmental activities program revenues	\$ 15,419,636	\$ 16,826,489	\$ 15,895,494	\$ 15,618,206	\$ 15,344,070	\$ 15,532,604	\$ 14,825,081	\$ 13,371,989	\$ 12,889,356	\$ 13,259,705
Business type activities:										
Charges for services	4,687,484	5,010,962	4,975,022	5,551,050	5,269,810	5,084,949	4,919,341	4,680,412	4,757,036	4,483,547
Water / sewer utility	15,419,636	16,826,489	15,895,494	15,618,206	15,344,070	15,532,604	14,825,081	13,371,989	12,889,356	13,259,705
Reclaimed water			-	-	-	-	-	663,878	345,407	400,349
Stormwater utility	2,937,216	2,693,752	2,270,391	1,887,145	1,682,977	1,640,783	1,689,650	1,628,155	1,327,234	1,375,541
Marina	469,253	471,043	473,373	433,559	443,924	418,032	420,218	408,465	387,409	325,176
Golf course	7,452	(903)	25	214,859	473,021	552,518	595,071	570,035	481,781	423,885
Operating grants and contributions	-	-	7,113	-	-	571,527	113,645	-	-	3,666
Capital grants and contributions	137,414	2,114,029	822,883	628,771	973,045	763,242	104,997	316,281	290,976	613,275
Total business type activities revenues	23,658,455	27,115,372	24,444,301	24,333,590	24,186,847	24,563,655	22,668,003	21,640,215	20,479,199	20,885,144
Total primary government program revenues	\$ 31,831,869	\$ 34,677,458	\$ 31,495,965	\$ 32,072,392	\$ 40,266,648	\$ 31,942,897	\$ 29,233,447	\$ 29,073,281	\$ 29,463,446	\$ 28,008,977
NET EXPENSE										
Governmental activities	\$ (18,632,833)	\$ (18,884,991)	\$ (20,100,032)	\$ (19,690,367)	\$ (13,367,427)	\$ (21,969,318)	\$ (19,742,446)	\$ (18,790,452)	\$ (17,224,340)	\$ (15,200,265)
Business type activities	(233,365)	3,122,828	(91,339)	438,787	(1,592,937)	(954,275)	(2,055,236)	(1,403,536)	(2,509,711)	(1,283,891)
Total primary government net (expense)/ revenue	\$ (18,866,198)	\$ (15,762,163)	\$ (20,191,371)	\$ (19,251,580)	\$ (14,960,364)	\$ (22,923,593)	\$ (21,797,682)	\$ (20,193,988)	\$ (19,734,051)	\$ (16,484,176)

City of Dunedin, Florida
Changes in Net Position (Continued)
Last Ten Fiscal Years
 (accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Taxes:										
Property taxes	\$ 5,767,080	\$ 6,096,273	\$ 6,540,293	\$ 7,277,630	\$ 8,364,594	\$ 9,212,358	\$ 9,982,922	\$ 8,844,774	\$ 7,662,303	\$ 7,063,015
Utility service taxes	4,223,089	4,208,418	4,534,665	4,807,075	4,713,985	4,248,062	4,273,255	4,253,827	4,095,884	4,134,755
Infrastructure sales suitax	3,013,051	2,810,128	2,674,927	2,720,927	4,727,908	3,708,123	3,188,280	3,603,251	3,509,710	3,163,833
Half cent sales tax	1,947,273	1,864,750	1,846,028	1,793,787	1,808,035	1,983,182	2,083,144	2,178,564	2,131,371	2,068,375
Franchise taxes	2,371,745	2,541,409	2,707,724	2,935,741	2,811,613	2,474,338	2,600,247	2,618,432	2,222,492	2,094,111
Other taxes	171,956	81,917	83,596	76,239	73,668	102,781	76,095	-	439,041	434,986
Slate revenue sharing	1,109,982	1,158,749	1,170,693	1,243,130	1,134,958	1,276,949	1,378,296	1,411,285	1,370,847	1,158,923
Grants and contributions not restricted to specific programs	-	-	-	1,639	-	-	-	-	21,397	20,833
Unrestricted investment earnings	48,438	76,561	95,313	146,429	(85,633)	340,398	664,200	825,776	302,899	303,299
Gain / (loss) on sale of capital assets	11,732	(37,708)	30,918	24,693	149,744	-	236,061	25,885	(54,221)	976
Transfers	1,800	(40,416)	(658,074)	(1,820,411)	(104,160)	(486,751)	(135,813)	(54,758)	(561,305)	(686,117)
Total governmental activities revenues	<u>18,666,146</u>	<u>18,760,081</u>	<u>19,026,083</u>	<u>19,206,879</u>	<u>23,594,712</u>	<u>22,859,440</u>	<u>24,346,687</u>	<u>23,707,036</u>	<u>21,140,418</u>	<u>19,756,989</u>
Business type activities:										
Unrestricted investment earnings	55,609	77,763	78,508	143,825	(43,434)	521,255	614,206	332,637	415,439	454,492
Gain (loss) on sale of capital assets	9,179	4,495	-	371	1,855	-	5,784	-	(25,215)	(2,787)
Transfers	(1,800)	40,416	658,074	1,820,411	104,160	486,751	135,813	54,758	561,305	686,117
Total business type activities	<u>62,988</u>	<u>122,674</u>	<u>736,582</u>	<u>1,964,607</u>	<u>62,581</u>	<u>1,008,006</u>	<u>755,803</u>	<u>387,395</u>	<u>951,529</u>	<u>1,137,822</u>
Total primary government revenues	<u>\$ 18,729,134</u>	<u>\$ 18,882,755</u>	<u>\$ 19,762,665</u>	<u>\$ 21,171,486</u>	<u>\$ 23,657,293</u>	<u>\$ 23,867,446</u>	<u>\$ 25,102,490</u>	<u>\$ 24,094,431</u>	<u>\$ 22,091,947</u>	<u>\$ 20,894,811</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 33,313	\$ (124,911)	\$ (1,073,949)	\$ (483,488)	\$ 10,227,285	\$ 890,122	\$ 4,604,241	\$ 4,916,584	\$ 3,916,078	\$ 4,556,704
Business type activities	(170,377)	3,245,503	645,243	2,403,394	(1,530,356)	53,731	(1,299,433)	(1,016,141)	(1,558,182)	(146,069)
Total primary government	<u>\$ (137,064)</u>	<u>\$ 3,120,592</u>	<u>\$ (428,706)</u>	<u>\$ 1,919,906</u>	<u>\$ 8,696,929</u>	<u>\$ 943,853</u>	<u>\$ 3,304,808</u>	<u>\$ 3,900,443</u>	<u>\$ 2,357,896</u>	<u>\$ 4,410,635</u>

City of Dunedin, Florida
General Governmental Tax Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Property	Franchise	Utility Service	Total
2004	\$ 7,063,015	\$ 2,094,111	\$ 4,134,755	\$ 13,291,881
2005	7,662,303	2,222,492	4,095,884	13,980,679
2006	8,844,774	2,618,432	4,253,827	15,717,033
2007	9,982,922	2,600,247	4,273,255	16,856,424
2008	9,212,358	2,474,338	4,248,062	15,934,758
2009	8,364,594	2,811,613	4,713,985	15,890,192
2010	7,277,630	2,935,741	4,807,075	15,020,446
2011	6,540,293	2,707,724	4,534,665	13,782,682
2012	6,096,273	2,541,409	4,208,418	12,846,100
2013	5,767,080	2,371,745	4,223,089	12,361,914

City of Dunedin, Florida
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004
General fund:							
Reserved	\$ 1,071,515	\$ 571,004	\$ 1,542,808	\$ 1,547,748	\$ 1,172,899	\$ 1,186,618	\$ 1,391,468
Unreserved	7,658,106	7,470,489	6,392,564	7,039,453	7,382,400	6,657,589	7,058,463
Total general fund	\$ 8,729,621	\$ 8,041,493	\$ 7,935,372	\$ 8,587,201	\$ 8,555,299	\$ 7,844,207	\$ 8,449,931
All other governmental funds:							
Reserved, reported in:							
Special revenue funds	\$ 525,082	\$ 15,319	\$ 334,605	\$ 3,193,297	\$ 54,685	\$ 1,170,995	\$ 2,398,481
Capital projects funds	562,702	279,355	27,410	154,142	423,505	10,362,798	591,375
Unreserved, reported in:							
Special revenue funds	2,546,222	5,915,014	4,417,004	998,488	7,473,489	4,676,052	2,675,596
Capital projects funds	707,512	667,991	911,711	814,596	3,545,504	1,393,716	1,291,290
Total all other governmental funds	\$ 4,341,518	\$ 6,877,679	\$ 5,690,730	\$ 5,160,523	\$ 11,497,183	\$ 17,603,561	\$ 6,956,742

	2013	2012	2011	2010
General fund:				
Nonspendable	\$ 11,052	\$ 22,670	\$ 15,275	\$ 255,599
Restricted	585,458	567,305	627,388	612,627
Assigned	115,416	242,303	2,020,923	562,133
Unassigned	3,097,698	3,944,684	4,984,151	7,302,058
Total general fund	\$ 3,809,624	\$ 4,776,962	\$ 7,647,737	\$ 8,732,417
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ 742	\$ 59,076
Restricted	3,839,145	3,379,423	2,681,888	3,782,026
Committed	237,177	483,645	603,830	397,793
Unassigned	23,155	-	-	99,827
Total all other governmental funds	\$ 4,099,477	\$ 3,863,068	\$ 3,286,460	\$ 4,338,722

Note: GASB 34 implemented in FY 2002. Nine years of data available for GASB 34 compliance
GASB 54 adopted in FY 2011; FY 2010 data was restated for GASB 54 comparable presentation
Dunedin Historical Society and Dunedin Fine Arts Center were added to the General Fund for FY 2010 for GASB 54 comparable presentation

City of Dunedin, Florida
Change in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES										
Taxes	\$ 12,361,914	\$ 12,846,100	\$ 13,782,682	\$ 15,020,446	\$ 15,890,192	\$ 15,934,758	\$ 16,856,424	\$ 15,717,033	\$ 13,980,679	\$ 13,291,881
Licenses, fees and permits	863,480	971,988	754,756	732,845	445,622	491,412	561,566	840,240	962,809	639,369
Intergovernmental	7,980,907	7,519,245	7,429,830	8,251,620	18,955,257	8,971,822	8,026,149	8,824,756	10,444,576	9,028,401
Charges for services	5,593,634	5,621,731	5,393,724	5,369,511	5,679,455	5,558,004	5,236,041	5,066,509	4,825,858	5,021,375
Fines and forfeits	497,113	178,739	220,901	119,427	184,190	210,618	220,350	229,994	176,260	280,435
Interest earnings	22,547	47,478	77,993	122,088	(64,719)	338,180	729,396	1,069,178	419,102	283,811
Miscellaneous	988,659	592,798	702,380	735,251	556,292	880,385	726,037	889,520	1,563,088	1,101,400
Total revenues	28,308,254	27,778,079	28,362,266	30,351,188	41,646,289	32,385,179	32,355,963	32,637,230	32,372,372	29,646,672
EXPENDITURES										
General government	3,939,915	2,975,639	3,026,559	3,273,169	3,543,512	3,661,825	3,629,824	3,598,907	3,241,021	3,053,704
Public safety	9,927,788	11,182,563	11,252,343	11,781,242	11,876,309	11,653,936	11,395,437	10,741,490	10,533,630	9,601,978
Physical environment	-	-	-	-	-	825	869	650	834	23,346
Transportation	1,616,462	1,543,624	1,656,767	1,785,106	1,869,700	1,957,496	2,173,323	1,905,992	1,992,043	1,915,753
Economic development	398,917	445,600	409,780	466,280	394,828	323,734	87,537	58,935	88,207	91,417
Culture and recreation	8,013,764	7,728,248	7,329,256	7,934,753	8,126,402	8,670,406	9,028,183	8,020,637	7,781,134	7,089,003
Capital outlay	2,779,744	2,476,284	3,624,709	4,198,061	11,924,208	2,794,170	6,832,634	13,930,227	3,989,158	9,963,391
Aids and grants	286,677	186,329	211,860	166,233	515,203	170,801	75,100	80,000	17,232	223,351
Debt service:										
Principal	1,410,650	1,424,928	1,584,307	1,297,789	2,356,923	1,668,241	4,428,527	2,252,986	2,877,448	940,349
Interest	540,297	610,170	680,752	741,855	835,723	887,607	989,180	937,599	772,714	658,745
Total expenditures	28,914,214	28,573,386	25,939,764	31,644,488	41,442,808	31,789,041	38,640,614	41,527,423	31,293,421	33,561,037
Excess of revenues over expenditures	(605,960)	(795,307)	2,422,502	(1,293,300)	203,481	596,138	(6,284,651)	(8,890,193)	1,078,951	(3,914,365)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	8,683	-	-	-	1,181,800	-	230,507	-	-	-
Debt proceeds	104,138	-	-	-	-	-	-	3,900,000	9,784,806	4,900,000
Transfers in	1,370,702	3,258,292	1,696,012	2,405,836	3,870,555	5,028,788	2,500,023	2,292,929	1,434,793	1,941,309
Transfers out	(1,608,492)	(4,757,152)	(2,418,887)	(3,259,235)	(3,962,516)	(5,746,548)	(2,750,637)	(2,698,022)	(2,257,455)	(2,601,240)
Total other financing sources (uses)	(124,969)	(1,498,860)	(4,559,444)	(853,399)	1,089,839	(717,760)	(20,107)	3,494,907	8,962,144	4,240,069
Net change in fund balances	\$ (730,928)	\$ (2,294,166)	\$ (2,136,942)	\$ (2,146,699)	\$ 1,293,320	\$ (121,622)	\$ (6,304,759)	\$ (5,395,286)	\$ 10,041,095	\$ 325,704
Debt service as a percentage of noncapital expenditures	7.5%	7.7%	6.5%	5.0%	8.8%	6.1%	16.2%	8.9%	11.8%	4.2%

City of Dunedin, Florida
General Governmental Expenditures and Transfers by Function¹
Last Ten Fiscal Years²

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Development	Culture and Recreation	Capital Outlay	Debt Service	Transfers Out	Other	Total
2004	\$ 3,053,704	\$ 9,601,978	\$ 23,346	\$ 1,915,753	\$ 91,417	\$ 7,089,003	\$ 9,963,391	\$ 1,599,094	\$ 2,601,240	\$ 223,351	\$ 36,162,277
2005	3,241,021	10,533,630	834	1,992,043	88,207	7,781,134	3,989,158	3,650,162	2,257,455	17,232	33,550,876
2006	3,598,907	10,741,490	650	1,905,992	58,935	8,020,637	13,930,227	3,190,585	2,698,022	80,000	44,225,445
2007	3,629,824	11,395,437	869	2,173,323	87,537	9,028,183	6,832,634	5,417,707	2,750,637	75,100	41,391,251
2008	3,661,825	11,653,936	825	1,957,496	323,734	8,670,406	2,794,170	2,555,848	5,746,548	170,801	37,535,589
2009	3,543,512	11,876,309	-	1,869,700	394,828	8,126,402	11,924,208	3,192,646	3,962,516	515,203	45,405,324
2010	3,273,169	11,781,242	-	1,785,106	466,280	7,934,753	4,198,061	2,039,644	3,259,235	166,233	34,903,723
2011	3,026,559	11,252,343	-	1,656,767	409,780	7,329,256	3,624,709	2,265,059	2,418,887	211,860	32,195,220
2012	2,975,639	11,182,563	-	1,543,624	445,600	7,728,248	2,476,284	2,035,098	4,757,152	186,329	33,330,538
2013	3,939,915	9,927,788	-	1,616,462	398,917	8,013,764	2,779,744	1,950,947	1,608,492	286,677	30,522,706

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Prior years were for general fund only. Values have been restated to include all governmental funds. Restatement also includes previously classified fiduciary trust funds reclassified to special revenue funds.

Revenue Capacity

City of Dunedin, Florida
Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

FY Ended Sept 30,	Real Property					Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate ²	Estimated Actual Market Value ³	Taxable Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Industrial Property	Other Property ¹						
2004	\$ 1,232,782,800	\$ 205,269,200	\$ 19,199,700	\$ 22,520,300	\$ 127,929,960	\$ 1,607,701,960	4.4253	\$ 2,533,204,966	63.5%	
2005	1,363,160,900	223,925,300	20,449,600	24,658,100	127,960,240	1,760,154,140	4.4253	2,808,887,675	62.7%	
2006	1,579,976,600	241,563,400	23,694,200	28,758,200	123,476,459	1,997,468,859	4.4253	3,233,337,399	61.8%	
2007	1,870,050,313	310,996,460	27,036,900	34,806,491	102,039,260	2,344,929,424	4.0934	3,955,244,190	59.3%	
2008	2,055,969,822	321,438,745	27,796,700	41,619,755	106,309,880	2,553,134,902	3.5597	4,211,355,400	60.6%	
2009	1,813,363,664	351,142,490	28,083,500	37,006,566	89,119,848	2,318,716,068	3.5597	3,921,795,310	59.1%	
2010	1,570,371,303	280,821,157	26,056,165	59,651,262	86,727,617	2,023,627,504	3.5597	3,278,182,101	61.7%	
2011	1,424,191,373	249,278,430	22,754,140	49,882,330	81,301,215	1,827,407,488	3.5597	2,884,900,277	63.3%	
2012	1,395,841,673	238,010,568	21,718,717	39,462,381	76,782,855	1,771,816,194	3.3817	2,742,388,004	64.6%	
2013	1,344,271,312	231,166,397	21,212,491	44,261,605	78,233,683	1,719,145,488	3.3817	2,609,865,581	65.9%	
Change 2012 - 2013	-3.69%	-2.88%	-2.33%	12.16%	1.89%	-2.97%	0.00%	-4.83%		

(1) Other Property includes Agricultural, Institutional, Government, Leasehold Interests, Miscellaneous, and Non-Agriculture Acreage

(2) City of Dunedin tax rates per \$1,000 of assessed value

(3) "Just Value" as determined by the Pinellas County Property Appraiser

Source: Pinellas County Property Appraiser

**City of Dunedin, Florida
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate ¹	Overlapping Rates			TOTAL		
		County Wide ²	School	Transit District ³		EMS ³	Other Districts ⁴
2004	4.4253	6.1410	8.2430	0.6319	0.6600	1.6562	21.7574
2005	4.4253	6.1410	8.1220	0.6377	0.6600	1.6557	21.6417
2006	4.4253	6.1410	8.3900	0.6377	0.6600	1.6555	21.9095
2007	4.0934	5.4700	8.2100	0.6074	0.6300	1.6378	20.6486
2008	3.5597	4.8730	7.7310	0.5601	0.5832	0.3866	17.6936
2009	3.5597	4.8730	8.0610	0.5601	0.5832	1.5551	19.1921
2010	3.5597	4.8730	8.3460	0.5601	0.5832	1.5106	19.4326
2011	3.5597	4.8730	8.3400	0.5601	0.5832	1.4410	19.3570
2012	3.3817	4.8730	8.3850	0.7305	0.8506	1.2390	19.4598
2013	3.3817	5.0727	8.3020	0.7305	0.9158	1.3034	19.7061

(1) There are no separate components to this direct rate

(2) County Wide includes:
 General Fund 5.0105
 Health Department 0.0622
5.0727

(3) Emergency Medical Services (EMS) and Transit District are assessed on Real Property only

(4) Other Districts includes:
 Pinellas County Planning Council 0.0125
 Juvenile Welfare Board 0.8981
 Southwest Florida Water Management 0.3928
1.3034

Source: Pinellas County Property Appraiser

**City of Dunedin, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	September 30, 2013			September 30, 2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mac Alpine Place Apt.	\$ 35,500,000	1	2.06%	\$ 26,200,000	1	1.63%
Chesapeake Apartments	14,900,000	2	0.87%	12,470,000	2	0.78%
MHC Lake Haven LLC	9,050,000	3	0.53%			
Walnut & Vine Properties II LLC	8,295,108	4	0.48%			
Odyssey DP I LLC	8,277,500	5	0.48%			
Scottish Towers II Apt LTD Partnership	7,000,000	6	0.41%			
SES Group-Windemere LTD	6,738,058	7	0.39%			
Bell Weathersfield Commons LLC	6,700,000	8	0.39%			
Coca-Cola Co Inc	6,667,883	9	0.39%	6,487,500	9	0.40%
Publix Super Markets Inc	6,512,000	10	0.38%	6,500,000	8	0.40%
Nielson Media Research, Inc.				9,800,000	3	0.61%
Orangeland Vistas, Inc.				9,533,200	4	0.59%
Lessor, Jason K.				8,280,000	5	0.52%
Doheny-Vidovich Partners				6,634,000	6	0.41%
Dallas Corporate Square				6,600,000	7	0.41%
Olympia Development Group				6,000,000	10	0.37%
SUB-TOTAL:	109,640,549		6.38%	98,504,700		6.12%
ALL OTHERS:	1,609,504,939		93.62%	1,509,197,260		93.88%
TOTAL:	\$ 1,719,145,488		100.00%	\$ 1,607,701,960		100.00%

Source: Pinellas County Property Appraiser

**City of Dunedin, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years**

FY Ended Sept 30,	Taxable Assessed Valuation	Millage Tax Rate	Total Tax Levy	Collected within the Fiscal Year of the Levy			Total Collections to Date	
				Amount ¹	Percentage of Levy	Delinquent Collections ²	Amount	Percentage of Levy
2004	\$ 1,607,701,960	4.4253	\$7,114,563	\$6,760,523	95.0%	\$ 17,182	\$ 6,777,705	95.3%
2005	1,760,154,140	4.4253	7,789,210	7,299,459	93.7%	16,863	7,316,322	93.9%
2006	1,997,468,859	4.4253	8,839,399	8,347,924	94.4%	7,773	8,355,697	94.5%
2007	2,344,929,424	4.0934	9,598,734	9,016,741	93.9%	11,716	9,028,457	94.1%
2008	2,553,134,902	3.5597	9,088,394	8,075,170	88.9%	439,190	8,514,360	93.7%
2009	2,318,716,068	3.5597	9,304,361	7,731,980	83.1%	22,968	7,754,948	83.4%
2010	2,023,627,504	3.5597	7,203,507	6,763,013	93.9%	21,039	6,784,052	94.2%
2011	1,827,407,488	3.5597	6,505,022	6,111,943	94.0%	14,636	6,126,579	94.2%
2012	1,771,816,194	3.3817	5,991,747	5,723,281	95.5%	119	5,723,400	95.5%
2013	1,719,145,488	3.3817	5,813,631	5,269,249	90.6%	134,104	5,403,353	92.9%

(1) These amounts are net of discounts taken. Discounts are allowed for early payment:

4% for November, 3% for December, 2% for January, and 1% for February

(2) This column represents delinquent collections received that fiscal year



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Debt Capacity

City of Dunedin, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business Type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Capital Leases	Water / Sewer & Stormwater Bonds				
2004	\$ 16,651,043	\$ 2,891,746	\$ 16,690,824		\$ 36,233,613	2.91%	\$ 974
2005	24,151,757	1,651,020	14,727,981		40,530,758	3.03%	1,083
2006	22,968,165	911,361	14,005,615		37,885,141	2.64%	1,008
2007	21,411,326	1,387,855	28,252,680		51,051,861	4.82%	1,356
2008	19,730,418	1,312,117	26,843,018		47,885,553	4.57%	1,275
2009	17,373,495	1,953,199	24,693,131		44,019,825	4.68%	1,223
2010	16,075,706	1,663,588	23,845,710		41,585,004	4.18%	1,177
2011	14,491,400	2,174,240	20,842,993		37,508,633	3.80%	1,053
2012	13,066,481	1,085,706	23,776,000		37,928,187	3.93%	1,076
2013	11,759,958	717,262	23,776,000		36,253,220	3.76%	1,029

(1) See the schedule of Demographic and Economic Statistics on page E-26 for personal income and population data

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Dunedin, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2013

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE¹	ESTIMATED SHARE OF OVERLAPPING DEBT
Overlapping debt:			
Pinellas County	\$ 3,108,726		
Pinellas County School Board	\$ 21,985,000		
Total overlapping debt	\$ 25,093,726	3.160%	\$ 792,962
City of Dunedin direct debt			<u>\$ 12,477,220</u>
Total direct and overlapping debt			<u><u>\$ 13,270,181</u></u>

(1) Applicable net debt percentage is based on ratio of City to County taxable values
City Taxable Value: \$ 1,719,145,488
County Taxable Value: \$ 54,350,309,869

Sources: Assessed value used to estimate applicable percentages provided by the Pinellas County Property Appraiser.
Debt outstanding data provided by Pinellas County School Board.

City of Dunedin, Florida
Revenue Bond Coverage
Water and Sewer Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³	Coverage Ratio
2004	\$ 15,674,310	\$ 11,840,458	\$ 3,833,852	\$ 2,315,772	1.65
2005	15,078,269	11,728,757	3,349,512	1,924,713	1.74
2006	16,012,925	12,115,834	3,897,091	1,944,756	2.00
2007	16,828,565	12,821,283	4,007,282	1,949,609	2.06
2008	18,397,808	13,239,576	5,158,232	2,465,204	2.09
2009	17,227,189	13,989,999	3,237,190	2,583,954	1.25
2010	17,454,334	12,481,590	4,972,744	2,457,283	2.02
2011	18,133,758	12,945,494	5,188,264	2,486,758	2.09
2012	16,879,645	10,925,824	5,417,161	2,605,576	2.08
2013	15,475,054	11,028,345	4,446,709	495,803 ⁴	8.97

(1) Total revenues (including investment income), exclusive of impact fees and capital grant revenue.

(2) Operating expenses are the costs of operation and maintenance of the system, exclusive of depreciation.

(3) Includes principal and interest of water and sewer revenue bonds and debt issued in parity with the water and sewer revenue bonds.

(4) FY 2013 debt service included interest-only payments.

**City of Dunedin, Florida
Revenue Bond Coverage
Stormwater Revenue Bonds**

<u>Fiscal Year</u>	<u>Gross Revenues¹</u>	<u>Operating Expenses²</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements³</u>	<u>Coverage Ratio</u>
2012	\$ 2,707,168	\$ 1,298,022	\$ 1,409,146	\$ 225,513	6.25
2013	2,938,635	1,464,095	1,474,540	186,189 ⁴	7.92

(1) Total revenues (including investment income), exclusive of impact fees and capital grant revenue.

(2) Operating expenses are the costs of operation and maintenance of the system, exclusive of depreciation.

(3) Includes principal and interest of stormwater revenue bonds and debt issued in parity with the stormwater revenue bonds.

(4) FY 2013 debt service included interest-only payments.

City of Duneedin, Florida
Schedule of Debt Service Ratio

Description	Actual September 30 2013	Adopted Budget September 30 2013	Adopted Budget September 30 2014
Total Governmental Revenues	\$ 28,308,254	\$ 28,093,941	\$ 31,520,257
Internal Service Revenues:			
Rental Income	26,658	25,632	25,632
Non-Operating: Investment earnings	25,891	-	63,522
Total Internal Services Revenues	<u>52,549</u>	<u>25,632</u>	<u>89,154</u>
Total Annual Revenues - September 30	<u>\$ 28,360,803</u>	<u>\$ 28,119,573</u>	<u>\$ 31,609,411</u>
Total Annual General Government Debt Service exclusive of Enterprise Funds, Internal Service Funds and Special Assessment Debt Service	<u>\$ 1,806,508</u>	<u>\$ 1,908,033</u>	<u>\$ 1,724,316</u>
Debt Service Ratio	<u>6.37%</u>	<u>6.79%</u>	<u>5.46%</u>
Total Capacity Debt Service (12.5%)	\$ 3,545,100	\$ 3,514,947	\$ 3,951,176
Less: Current Debt Service	<u>1,806,508</u>	<u>1,908,033</u>	<u>1,724,316</u>
Excess Debt Service Available	<u>1,738,593</u>	<u>1,606,914</u>	<u>2,226,860</u>
Excess Outstanding Debt Service Available			
10 Years	\$ 14,700,718	\$ 13,587,303	\$ 18,829,280
20 Years	25,457,743	23,529,604	32,607,317

City of Dunedin, Florida
Schedule of Total Annual General Government Debt Service
Last Two Fiscal Years plus Next Year

Debt Description	September 30 2012	September 30 2013	Adopted Budget September 30 2014
Community Center \$10M Series 2005	\$ 719,819	\$ 721,188	\$ 721,581
Spring Training Facilities \$12M Series 2001 Revenue Note	1,075,184	5,277,990 ¹	-
Spring Training Facilities \$5.2M Series 2012 Revenue Note	-	835,612	1,002,735
MLK/Shapiro Property \$4.9M Series 2003 Capital Improvement	238,197	-	-
Palm Boulevard Resurfacing \$944K Series 2002	1,898	111,580	-
Total Annual General Government Debt Service	\$ 2,035,098	\$ 6,946,370	\$ 1,724,316

(1) Includes principal refunded in the amount of \$5,139,862.



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Demographic and Economic Information

City of Dunedin, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income ²	Per Capita Income ³	Median Age ⁴	Unemployment Rate ⁵
2004	37,217	\$ 1,234,376,239	\$ 33,167	43.7	3.8%
2005	37,426	1,246,884,616	33,316	44.0	3.7%
2006	37,574	1,337,897,418	35,607	44.2	3.1%
2007	37,662	1,434,357,270	38,085	43.0	3.8%
2008	37,561	1,060,084,103	28,223	48.2	6.2%
2009	35,988	1,046,998,884	29,093	47.6	10.2%
2010	35,920	941,463,200	26,210	48.2	11.3%
2011	35,321	995,875,595	28,195	51.3	10.2%
2012	35,629	987,208,332	27,708	51.1	8.2%
2013	35,247	964,216,932	27,356	53.3	6.2%

Data Source:

- (1) FY 2003 - 2010: City-data.com; FY 2011: 2010 US Census Results; FY 2012 - 2013: Pinellas Co. Economic Development
- (2) Calculated using the above displayed Population and Per Capita Income figures
- (3) FY 2003 - 2010: City-data.com; FY 2011: 2010 US Census Results; FY 2012 - FY2013: Pinellas Co. Economic Development
- (4) FY 2003 - 2010: Munitinguide.com; FY 2011: 2010 US Census Results; FY 2012 - FY2013: Pinellas Co. Economic Development
- (5) Bureau of Labor Statistics; Not Seasonally Adjusted; FY 2013 unemployment rate shown as of September 30, 2013

**City of Dunedin, Florida
Principal Employers ¹
Current Year and Seven Years Ago ³**

Employer	September 30, 2013			September 30, 2006		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment ²
Pinellas School System	687	1	4.33%	556	3	3.33%
Mease Dunedin Hospital	498	2	3.14%	697	2	4.18%
Publix	370	3	2.33%			
City of Dunedin	340	4	2.14%	402	4	2.41%
Mease Manor	300	5	1.89%	306	5	1.83%
Coca-Cola North America	205	6	1.29%	220	6	1.32%
Pinellas County Sheriff - N District	174	7	1.10%			
Consumer Sales Solutions	160	8	1.01%			
Wal-Mart Neighborhood Market	107	9	0.67%			
Bon Appetit	85	10	0.54%			
Nielsen Media Research				1,296	1	7.77%
TOTAL	2,734		18.43%	2,181		13.07%

(1) Source: Community Services Department

(2) Employment statistics are from the Bureau of Labor Statistics for the City of Dunedin (Not Seasonally Adjusted)

Total employment for 2013 15,873 at September 30, 2013

Total employment for 2006 16,685

(3) Data not available prior to 2006



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Operating Information

City of Dunedin, Florida
Full-time Equivalent City Government Employees
Last Ten Fiscal Years at September 30

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	55.880	52.730	55.500	52.225	55.351	63.351	59.351	59.851	57.851	54.730
Public Safety										
Fire	22.000	22.000	22.000	22.000	22.000	22.000	23.000	20.500	20.500	19.500
Paramedics	33.000	33.000	33.000	33.000	33.000	33.000	33.000	36.000	36.000	36.000
Culture and recreation	77.750	76.000	75.500	82.000	89.000	97.570	96.965	92.965	92.840	91.000
Highways and streets										
Engineering	14.750	15.000	15.500	15.000	16.000	16.000	15.000	15.000	15.000	15.000
Maintenance	8.660	9.670	9.660	9.000	11.000	12.000	16.833	16.833	16.833	16.830
Facilities	9.680	9.680	9.660	12.000	12.000	24.000	23.333	23.333	23.333	22.330
Fleet Services	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
Solid Waste	24.000	26.000	28.000	28.000	28.000	28.000	28.000	28.000	28.000	28.000
Water	31.000	32.000	32.000	29.000	30.000	30.000	30.000	30.000	30.000	31.000
Wastewater	36.000	36.000	38.000	47.000	47.000	50.000	50.000	50.000	51.000	51.000
Stormwater	12.660	11.670	10.660	10.000	10.000	10.000	10.333	10.333	10.333	10.333
TOTAL	333.880	332.250	337.980	347.725	361.851	394.421	394.315	391.315	390.190	384.223

City of Dunedin, Florida
Operating Indicators by Function
as of September 30

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fire										
Number of fire emergencies with dollar loss**	91	115	108	110	111	704	108	108	175	185
EMS responses	5,173	5,138	5,012	4,973	4,895	5,372	5,472	5,472	4,804	4,667
Other calls	1,739	1,372	1,462	1,988	1,816	384	1,295	1,295	2,443	2,014
Inspections	1,279	1,396	1,509	1,596	1,484	1,376	1,007	1,007	977	489
Investigations	20	97	88	108	77	55	71	71	69	66
Highways and streets										
Streets paved (miles)	130	130	130	130	130	130	130	130	*	*
Streets unimproved (miles)	3	3	3	3	3	3	3	3	*	*
Street lights	3,568	3,568	3,568	3,568	3,568	3,568	3,568	3,540	3,463	3,463
Culture and recreation ***										
Recreation facilities - parks (acres)	239.9	322.0	322.0	322.0	322.0	322.0	322.0	322.0	322.0	322.0
Recreation facilities - specialty facilities (acres)	201.4	*	*	*	*	*	*	*	*	*
Recreation facilities - beaches (acres)	37	37	37	37	37	37	37	37	*	*
Library materials	141,734	135,945	139,623	146,909	131,098	128,977	147,444	136,350	134,824	149,458
Library annual circulation	590,323	632,382	656,507	600,951	483,303	443,157	434,678	412,569	423,650	473,683
Library registered borrowers	31,454	29,756	26,439	29,735	27,477	32,858	29,994	17,302	26,612	46,996
Solid waste										
Customers serviced	14,442	14,453	14,473	14,492	14,596	14,546	14,496	14,390	14,116	13,250
Refuse / recycling collected (tons)	34,929	35,618	38,425	40,656	41,053	45,796	45,100	51,414	55,651	39,675
Water										
Total connections - regular	11,331	11,435	10,958	10,894	11,536	11,394	11,363	11,363	11,231	11,151
Total connections - reclaimed	3549	3,395	3,396	3,395	3,343	3,323	3,383	3,233	3,233	3,185
Average daily consumption (Gallons) - regular	3,400,000	3,514,000	3,020,000	3,256,000	3,269,000	3,396,000	3,546,000	3,616,000	3,784,000	3,767,000
Average daily consumption (Gallons) - reclaimed	2,800,000	2,850,000	2,670,000	2,600,000	2,800,000	3,139,000	3,269,000	3,173,000	2,584,000	3,143,000
Operating wells	27	26	22	*	26	26	26	26	27	28
Sewer (wastewater)										
Miles of sanitary sewers	128	128	128	128	128	128	128	128	180	180
Average daily sewage treatment (Gallons)	4,100,000	4,370,000	4,390,000	4,596,000	4,613,000	4,382,000	4,382,000	4,900,000	4,966,000	4,966,000

* Information not available

** As of 2011, description changed from "Number of calls answered" to "Number of fire emergencies with dollar loss" to clarify reported statistics

*** As of 2013, recreation facilities are divided into three categories instead of two. Prior years data not available for the new "specialty facilities" category.

City of Dunedin, Florida
Capital Asset and Facility Statistics by Function
as of September 30

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Culture and recreation										
Baseball fields	10	12	12	12	12	12	12	12	12	14
Baseball stadium / training facility (seating capacity)	5,509	5,509	5,509	5,509	\$ 5,509	5,509	5,509	5,500	*	*
Basketball - indoor courts	1	1	1	1	1	1	1	1	1	1
Basketball - outdoor courts	5	5	5	5	5	5	5	5	5	5
Community center	1	1	1	1	1	1	1	1	*	*
Fishing areas	15	15	15	15	15	14	14	7	*	*
Golf courses	2	2	2	2	2	2	2	2	*	*
Library	2	2	2	2	2	2	1	1	*	*
Marina (slips)	194	194	194	194	194	194	194	194	*	*
Multi-purpose indoor court	1	1	1	1	1	1	1	1	*	*
Nature center	1	1	1	1	1	1	1	1	*	*
Parks **	31	32	32	31	31	30	30	22	22	22
Picnic areas	15	15	15	15	15	15	15	7	*	*
Public boat ramps	1	1	1	1	1	1	1	1	*	*
Recreation centers	3	3	3	3	3	3	3	3	*	*
Senior center	1	1	1	1	1	1	1	1	*	*
Soccer / football fields	4	4	4	4	4	4	4	4	*	*
Softball fields	5	3	3	3	3	3	3	3	*	*
State and county parks	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	11	11	11	11	11	11	11	11	*	*
Utility playfields	4	4	4	4	4	4	4	4	*	*
Water										
Water mains (miles)	172	172	172	172	172	172	172	166	*	*
Water plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	1,236	1,220	1,220	1,220	1,220	1,220	1,206	1,185	*	*
Sewer (wastewater)										
Mains	150	150	150	150	150	150	149	165	*	*
Lift stations	43	42	42	42	42	42	42	42	*	*
Treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers (miles)	128	128	128	128	128	128	128	128	180	180

* Information not available

** FY 2013: Former Dunedin Youth Guild Park combined with Hammock Park

CITY OF DUNEDIN, FLORIDA
SINGLE AUDIT AND OTHER AUDITOR REPORTS
YEAR ENDED SEPTEMBER 30, 2013



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dunedin, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2014. Our report includes a reference to other auditors who audited the financial statements of the City's Municipal Firefighters' Pension Trust Fund, as described in our report on the City's financial statements. The financial statements of the City's Municipal Firefighters' Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated March 28, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 28, 2014



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on Compliance for Each Major State Project

We have audited the compliance of the City of Dunedin, Florida (the "City"), with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the major state projects for the year ended September 30, 2013. The City's state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2013.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 28, 2014, which contained unmodified opinions on those financial statements. Our report on the basic financial statements also contained a reference to the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement. The accompanying schedule of expenditures of state financial assistance is presented for the purposes of additional analysis, as required by Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

Report on Schedule of Expenditures of State Financial Assistance (*Continued*)

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 28, 2014

CITY OF DUNEDIN, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For The Year Ended September 30, 2013

<u>Agency/State Project</u>	<u>CSFA #</u>	<u>Grant #</u>	<u>Total Program Expenditures</u>
Florida Department of Revenue			
Facilities for New Professional Sports, Retained Professional Sports or Retained Spring Training Franchise (Toronto Blue Jays Stadium)	73.016	08-CT-C1-07-F7-J1-097	<u>\$ 500,004</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 500,004</u></u>

NOTE 1 Basis of Presentation

The Schedule of Expenditures of State Financial Assistance includes the state grant activity of the City of Dunedin, Florida, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 215.97, Florida Statutes; and Rule 69I-5.003 (1)(f). Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

CITY OF DUNEDIN, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

State Financial Assistance

Internal control over major State projects:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?

_____ Yes X No

Identification of Major State Project:

CSFA Number
73.016

Name of State Project
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise

Dollar threshold used to distinguish between Type A and Type B programs:

\$150,000

Section II – Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*

No matters are reported.

Section III – State Financial Assistance Findings and Questioned Costs Section

No matters are reported.

CITY OF DUNEDIN, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Fiscal Year Ended September 30, 2013

Prior-Year Finding

IC 2010-01

Current Year Status

Corrective action was taken during fiscal year 2013 and the finding was resolved.



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

We have audited the basic financial statements of the City of Dunedin, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 28, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Chapter 10.550, Rules of the Auditor General. We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 28, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we noted certain matters, as reported in Appendix A attached hereto. Included in our observations are management's responses, which we did not audit and, accordingly, we express no opinion on them.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Honorable Mayor and
Members of the City Commission
City of Dunedin, Florida

- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 28, 2014

APPENDIX A
CITY OF DUNEDIN, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2013

MLO 2013-001 – Information Technology Assessment

Observation:

During our audit of the City's financial statements, we performed an assessment of the City's Information Technology ("IT") operations and controls. During this assessment, we noted several areas which could improve the City's IT processes. The following areas for improvement noted during our assessment are provided here for your consideration: active directory security and controls, local desktop, printers and wireless security and controls, firewall and perimeter security controls, patch management, vulnerability management controls and user security awareness. Specific details of these observations are not disclosed in this report to avoid the possibility of compromising City information. However, appropriate City personnel have been notified of our specific findings. In addition, we noted that the IT Director reports directly to the Finance Director.

Criteria:

To ensure proper financial accounting and reporting, security of financial information, as well as operational effectiveness, appropriate IT controls should be implemented, maintained, and updated, as necessary, to keep pace with the constantly changing technology environment.

Recommendation:

We recommend that the City evaluate the IT issues noted above and implement cost-effective procedures to ensure the continued security of the City's IT environment. We also recommend that a procedure be implemented that requires a second party (outside of the Finance and IT Departments) review of requests and changes that come from the Finance Director and other Finance Department personnel.

Management Response:

We have received a copy of the security audit performed by MSL Technologies for the annual financial audit of the City of Dunedin. We are in the process of fully evaluating the report and will develop a plan to address those issues in the report where feasible, based on financial, personnel, and other resource availability.

MLO 2013-002 – Utility Accounts Receivable Reconciliations

Observation:

During our audit procedures, we noted that the utility funds accounts receivable general ledger balances and subsidiary ledger balances were not being reconciled during the year. Accordingly, unreconciled variances between the two ledger balances existed. Although the variances were determined to be immaterial to the City's financial statements, if these accounts are not reconciled at least monthly, errors or other problems might not be recognized and resolved for financial reporting purposes.

Criteria:

In order to generate the most reliable financial reports possible, the City should reconcile its utility funds accounts receivable subsidiary ledger balances with the general ledger on at least a monthly basis.

Recommendation:

We recommend that the City's subsidiary ledgers for the utility funds accounts receivable be reconciled to the general ledger on a monthly basis. Reconciling differences, once identified, should be corrected before the City closes its books.

APPENDIX A
CITY OF DUNEDIN, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2013

MLO 2013-002 - Reconciliations (Continued)

Management Response:

Staff has begun the process of developing the procedure to reconcile these two systems and this will be done within sixty days. This item was previously noted and on the “to do” list of the Finance Department.

MLO 2013-003 Archived Timecard Approvals

Observation:

During our audit procedures of the payroll process, it was noted that when an employee with timecard approval authority is terminated and removed from the system, the system also removes all approvals made by that employee on the archived timecards. This is due to the City using an outdated version of the timekeeping software.

Criteria

Historical records for timecard approval are necessary for audit purposes and other future use.

Recommendation

We recommend that City management evaluate the timekeeping software and consider the most efficient and effective way to address the archived timecard issue.

Management Response:

We are aware of the issue and intend to address it, as follows. The City has performed a partial business process analysis prior to preparation of an RFP (Request for Proposal) for new enterprise-wide financial accounting software. As part of this process new time-keeping systems will be reviewed. We intend to make this purchase within one year.

MLO 2013-004 Municipal Firefighters’ Pension Trust Fund Audit

Observation:

During our review of the Municipal Firefighters’ Pension Trust Fund audit report that was completed by other auditors, it was noted that the audit was not completed in accordance with *Government Auditing Standards*.

Criteria

Florida Statute 175.261 requires Firefighter Pension plans with \$250,000 or more in assets to be audited by an independent certified public accountant, however, an audit in accordance with *Government Auditing Standards* is not required. Although not required by Florida Statutes, we believe that an audit in accordance with *Government Auditing Standards* which includes testing of internal controls would benefit the City.

Recommendation

We recommend that City evaluate the current contract for the Municipal Firefighters’ Pension Trust Fund audit and consider modifying the contract to require the audit to be completed in accordance *Government Auditing Standards*.

Management Response:

As recommended, the City will evaluate the current contract for the Municipal Firefighters’ Pension Trust Fund audit and will modify the current, or the next contract, to ensure that the audit is completed in accordance with *Governmental Auditing Standards*.